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CALENDAR - *Actions Taken*

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MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, NOVEMBER 4, 1992 - 2:00 P.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ AND MIGDEN

ABSENT: SUPERVISOR HALLINAN

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- (a) File 101-91-38.4. [Release of Funds] Requesting release of reserved funds, Public Library, in the amount of \$106,898, for geotechnical services during construction. (Public Library)  
(Cont'd from 10/28/92)

ACTION: Hearing held. Release of \$117,588 recommended. Filed.

- (b) File 101-90-36.2. [Release of Funds] Requesting release of reserved funds, Department of Parking and Traffic, in an amount totalling \$525,148 (\$28,671 to City Planning Department for environmental review costs and \$496,477 for identified hazardous waste clean-up costs) at the new San Francisco General Hospital parking garage. (Department of Parking and Traffic)

ACTION: Continued to November 18, 1992, meeting.

- (c) File 132-92-3.1. [Release of Funds] Requesting release of reserved funds, Arts Commission, in the amount of \$29,400, for consultant services. (Arts Commission)

ACTION: Release of \$29,400 recommended. Filed.

## REGULAR CALENDAR

2. File 188-92-1. Hearing to consider the fiscal impact of the 1987 contracts with Pacific Gas and Electric and the Modesto and Turlock Irrigation Districts for the purchase and sale of Hetch Hetchy water. (Supervisor Migden)  
(Cont'd from 10/21/92)

ACTION: Continued to November 18, 1992, meeting.

3. File 100-92-9. Hearing to consider the City's efforts to secure anticipated revenues and fund transfers needed to balance the 1992-93 fiscal year budget for the City and County of San Francisco. (Supervisor Gonzalez)

ACTION: Continued to November 18, 1992, meeting.

4. File 38-92-25. [Gift Acceptance] Resolution accepting one gift valued at \$5,480, from Wells Fargo Bank, for publication of the Recreation and Park Department Summer Activities Brochure. (Recreation and Park Department)  
(Cont'd from 10/28/92)

ACTION: Continued to November 18, 1992, meeting.

5. File 64-92-24. [Lease of Real Property] Resolution authorizing a new lease of real property at 10 United Nations Plaza, Suite 260, for the Mayor's Office of Children, Youth and Their Families. (Real Estate Department)

ACTION: Amended on page 1, line 4, after "families", by adding "retroactive to October 1, 1992". Recommended as amended. New title: "Authorizing a new lease of real property at 10 United Nations Plaza, Suite 260, for the Mayor's Office of Children, Youth and Their Families; retroactive to October 1, 1992."

6. File 97-92-61. [Fee Surcharges] Ordinance amending Administrative Code by adding Chapter 10F, to establish a surcharge on plan, permit, environmental review, and related fees to recover costs for acquiring office space at 1660 Mission Street; companion measure to File 172-92-15. (Chief Administrative Officer)

ACTION: Recessed to November 9, 1992, at 12:00 noon.

7. File 172-92-15. [Agreement] Ordinance approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate, (including certain indemnities and the release of the seller contained therein), an assignment of agreement for purchase and sale agreement of real estate, a facilities lease (including certain indemnities contained therein), a trust agreement (including certain indemnities contained therein), and an official statement; authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco certificates of participation (1660 Mission Street Project) Series 1993; authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval; authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the certificates of participation; and adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property; companion measure to File 97-92-61. (Chief Administrative Officer)

ACTION: Recessed to November 9, 1992, at 12:00 noon.

8. File 65-92-11. [Lease of Property] Ordinance authorizing and approving lease of City-owned property at 1800 Oakdale Avenue (southeast Community Facility, northwest corner of Phelps Street and Oakdale Avenue) to the San Francisco Community College District. (Real Estate Department)

ACTION: Hearing held. Continued to the Call of the Chair.

9. File 124-92-9. [Parking Meters] Ordinance amending Traffic Code by amending Section 32.8.12 thereof, to remove the parking facility at 1350 Bush Street from those off-street parking sites on which parking meters may be used. (Parking Authority)  
(Transferred from Economic and Social Policy Committee 10/27/92 - Fiscal Impact)

ACTION: Recommended.

10. File 161-92-7. [South of Market Survey Area] Resolution amending Resolution No. 177-90, designating and describing the South of Market Survey Area by adding additional Land to said survey area. (Redevelopment Agency)  
(Transferred from Economic and Social Policy Committee 10/27/92 - Fiscal Impact)

ACTION: Recommended.



CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

November 2, 1992

TO: Finance Committee

FROM: Budget Analyst *Recommendations*

SUBJECT: November 4, 1992 Finance Committee Meeting

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Item 1a - File 101-91-38.4

Note: This item was continued at the October 28, 1992 Finance Committee Meeting.

Department: Public Library

(SEE Revision for this item stapled to back of this report.)

Item: Request for release of reserved funds for geotechnical services during construction of the new Main Library

Amount: \$106,898

Source of Funds: 1988 Library Improvement Bonds

Description: The Board of Supervisors has previously approved a supplemental appropriation (File 101-91-38) in the amount of \$4,015,003 for project services related to the construction of the new Main Library. Of the \$4,015,003 appropriated, a total of \$1,529,805 was placed on reserve pending selection of contractors and determination of the MBE/WBE status of the contractors and contract cost details. Of the \$1,529,805 originally placed on reserve, a total of \$549,772 has previously been released by the Finance Committee, leaving a balance of \$980,033 on reserve.

The balance of \$980,033 in reserved funding includes \$120,000 for geotechnical services consulting. This item is a request to release \$106,898 of the \$120,000 reserve for geotechnical services.

The geotechnical services consultant would 1) monitor the excavation activities for the new Main Library to determine that the actual soil conditions encountered during excavation are compatible with the design requirements by performing and evaluating soil density tests, 2) review and approve the shoring design submitted by the construction contractor, 3) observe excavation in preparation for the foundation and 4) monitor the pile driving associated with shoring and foundation work.

The geotechnical consulting firm of Geo/Resource Consultants, Inc., was retained by the construction management contractor, O'Brien-Kreitzberg & Associates, Inc., as a subcontractor to assist in preparation of the Environmental Impact Report. According to Mr. Russ Abel of the Department of Public Works, Bureau of Architecture, in order to maintain continuity of professional responsibility throughout the construction of the new Main Library, it is desirable to utilize the same geotechnical consultant for all phases of the planning, design and construction of the new Main Library. Therefore, Geo/Resource Consultants, Inc., will continue as the geotechnical consultant subcontractor under the prime contractor, O'Brien-Kreitzberg for the new Main Library construction project.

Geo/Resource Consultants, Inc., is a local business but is not an MBE or WBE firm. Geo/Resource Consultants, Inc., has estimated the costs for their services totaling \$106,898, as follows:

Professional Services:		
Principal Engineer (90 hours @ \$135 per hour)		\$12,150
Project Engineer (220 hours @ \$70 per hour)		15,400
Staff Engineer (548 hours @ \$65 per hour)		35,620
Support Staff (74 hours @ \$40 per hour)		2,960
Other Professional Services		<u>3,050</u>
Total-Professional Services		\$69,180
Sub-Subcontracts:		
Shoring Review and Soil Observation	\$20,000	
Indicator Piles	<u>8,000</u>	
Total-Subcontracts		<u>28,000</u>
Total - Geo/Resource Consultants, Inc.		\$97,180



O'Brien-Kreitzberg administration of  
Geo/Resource Consultants, Inc.,  
subcontract (10 percent per master agreement)      \$9,718

Total Requested Release of Reserve      \$106,898

**Comment:** Mr. Abel was not able to provide the Budget Analyst with details of the Other Professional Services of \$3,050 or the Sub-Subcontracts costs totally \$28,000 when this item was first heard on October 28, 1992 and, therefore, the item was continued at Mr. Abel's request in order to obtain the details required. However, as of the writing of this report for the November 4, 1992 Finance Committee Meeting, Mr. Abel still could not provide the Budget Analyst with the cost details. This release of reserved funds should be continued to the next Finance Committee meeting on November 18, 1992.

**Recommendation:** Continue the proposed release of reserved funds until November 18, 1992.





Item 1b - File 101-90-36.2

**Department:** Department of Parking and Traffic

**Item:** Release of reserve for the new San Francisco General Hospital parking garage.

**Amount:** \$525,148

**Source of Funds:** Off-Street Parking Funds

**Description:** The Board of Supervisors previously approved legislation authorizing a supplemental appropriation in the amount of \$1,000,000, for the Department of Parking and Traffic, to be used to pay for hazardous waste removal and environmental review fees in connection with the proposed new San Francisco General Hospital Garage. At the same time, the Board of Supervisors placed the entire \$1,000,000 on reserve pending the Department of Parking and Traffic's selection of contractors and determination of hours, hourly rates and the MBE/WBE status of the contractors (File 101-90-36). Of the \$1,000,000, \$474,852 has previously been released from reserve, leaving a balance of \$525,148 still on reserve. The \$474,852 previously released from reserve was used to pay for contract services for the performance of the Environmental Impact Review (\$162,850) and for contract services for the provision of hazardous waste removal (\$312,002).

The Department of Parking and Traffic is now requesting that the remaining balance of \$525,148 be released from reserve. The Department of Parking and Traffic reports that \$28,671 of the \$525,148 would be used to pay for the City Planning Department's environmental review costs and the remaining \$496,477 would be used to pay for additional contract services for the provision of hazardous waste removal.

**Comment:** The Department of Parking and Traffic has requested that this item be continued to the Finance Committee meeting on November 18, 1992, in order to allow the Department additional time to provide budget details for the Department of City Planning's costs and the hazardous waste removal contract services.

**Recommendation:** Continue this item to the Finance Committee meeting on November 18, 1992, as requested by the Department of Parking and Traffic.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1c - File 132-92-3.1

**Department:** Arts Commission

**Item:** Release of reserve for consultant services

**Amount:** \$29,400

**Source of Funds:** National Endowment for the Arts grant

**Description:** The Board of Supervisors previously approved legislation authorizing the Arts Commission to apply for, accept and expend a Federal grant, in the amount of \$30,000, from the National Endowment for the Arts (File 132-92-3). This grant was to be used primarily to fund consulting services to assist in the development of a long range planning process for the Arts Commission and its programs. At the same time that the Board of Supervisors approved this legislation, it placed \$29,400 of the \$30,000, earmarked for the consulting services, on reserve pending the Arts Commission providing the estimated hours, hourly rates, and the MBE/WBE status of the consultant.

The Arts Commission reports that it issued a Request for Proposals in June of 1992 and has selected the Arts Market to provide the necessary consultant services, at a total cost of \$54,763. The \$29,400 in grant funds plus \$25,363 in Public Art funds included in the Arts Commission's 1992-1993 budget, would be used to pay for these consultant services.

The Arts Market is a woman-owned firm located in Marion, Massachusetts. This firm is not certified or registered with the City as a WBE firm. According to Ms. Joanne Chow Winship, Director of Cultural Affairs for the Arts Commission, the Arts Market has two minority consultants, one of who is a resident of San Francisco and the other of who is a resident of the City of Palo Alto, who will serve as members of the team on this project.

As noted above, the primary purpose of the consultant services is to provide the Arts Commission with assistance in the development of a long range plan for the Arts Commission and its programs. Additionally, the consultant services will be responsible for the review and revision of Part 2 of the Arts Policy Plan. Part 1 of the Arts Policy Plan describes the plan and was adopted

in 1991 as part of the City's Master Plan. Part 2 of the Plan provides for the framework for implementing the goals and actions of the Plan. The specific tasks to be performed by the Arts Market include the following:

**Phase A (seven months)**

1. Identifying and framing issues confronting the Commission.
2. Meeting with citizen advisory committees and special focus groups to structure suggestions, needs and concerns.
3. Researching, reviewing and developing, in conjunction with Commissioners and staff, agency priorities, program goals and objectives with timelines and responsibilities.
4. Reviewing and clarifying the roles and responsibilities of staff administration and Commission policy making.
5. Researching and developing the structure, purpose and feasibility of a non-profit fiscal agency which would complement the goals and objectives of the Arts Commission.

**Phase B (two months)**

Providing a written long range plan document for the Arts Commission based on the above noted tasks.

**Phase C (three months)**

1. Facilitating meetings with City agencies, arts focus groups and the Arts Commission to review and prepare for the adoption of Part 2 of the Arts Policy Plan.
2. Providing written goals and implementation actions for Part 2 of the Arts Policy Plan.

Ms. Winship advises that the Arts Market will be reimbursed on the basis of the completion of the above noted tasks, as opposed to an hourly rate. Arts Market's projected expenditures for the \$54,763, are as follows:

**Phase A**

On-site Consultant Time		
Consultant (72 hours @ \$100/hr.)	\$7,200	
Consultant (16 hours @ \$50/hr.)	800	
Off-site Consultant Time		
Consultant (32 hours @ \$100/hr.)	3,200	
Consultant (16 hours @ \$125/hr.)	2,000	
Consultant (10 hours @ \$75/hr.)	750	
Consultant (4 hours @ \$50/hr.)	200	
Consultant (28 hours @ \$35/hr.)	<u>980</u>	
Subtotal		\$15,130

**Phase B**

On-site Consultant Time		
Consultant (16 hours @ \$125/hr.)	\$2,000	
Consultant (16 hours @ \$100/hr.)	1,600	
Off-site Consultant Time		
Consultant (16 hours @ \$125/hr.)	2,000	
Consultant (4 hours @ \$100/hr.)	400	
Consultant (20 hours @ \$75/hr.)	1,500	
Consultant (16 hours @ \$35/hr.)	<u>560</u>	
Subtotal		8,060

**Phase C**

On-site Consultant Time		
Consultant (16 hours @ \$125/hr.)	\$2,000	
Consultant (36 hours @ \$100/hr.)	3,600	
Consultant (44 hours @ \$75/hr.)	3,300	
Consultant (80 hours @ \$50/hr.)	4,000	
Off-site Consultant Time		
Consultant (16 hours @ \$125/hr.)	2,000	
Consultant (24 hours @ \$35/hr.)	840	
Consultant (80 hours @ \$30/hr.)	<u>2,400</u>	
Subtotal		18,140
<b><u>General Administrative Costs</u></b>		4,133

Travel

4 round-trip air fares Boston/San Francisco @ \$960	\$3,840	
3 round-trip air fares Providence/San Francisco @ \$920	2,760	
1 round-trip air fare Milwaukee/San Francisco @ \$540	540	
Mileage	200	
Per diem (14 days @ \$140)	<u>1,960</u>	
Subtotal		\$9,300
Total		<u>\$54,763</u>

**Comments:**

1. As reflected in the budget above, \$13,433 or 25 percent of the proposed contract is for travel and general administrative costs. The remaining \$41,330 or 75 percent is for direct consulting services. According to Ms. Winship, the reason that Arts Market consultants will be traveling from Milwaukee, Minnesota, Boston, Massachusetts, and Providence, Rhode Island, is that (1) Arts Market has a branch office in Minneapolis, Minnesota and (2) Marion, Massachusetts, where the main office is located, is right on the border of Rhode Island.

2. The Arts Policy Plan's goals are to (1) support and nurture the arts through City leadership, (2) recognize and sustain the diversity of the cultural expressions of art in San Francisco, (3) recognize and support individual artists and arts organization, a combination that is vital to a thriving arts environment, (4) increase opportunities for quality arts education, (5) increase funding support for the arts in San Francisco and (6) enhance, develop, and protect the physical environment of the arts in San Francisco.

**Recommendation:** Approve the proposed release of reserve funds in the amount of \$24,900.



Item 2 - File 188-92-1

**Note:** This item was continued from the Finance Committee meeting of October 21, 1992.

1. This is a hearing to consider the fiscal impact of the 1987 contracts with Pacific Gas and Electric Company (PG&E) and the Modesto and Turlock Irrigation Districts (M/TID) for the purchase and sale of Hetch Hetchy hydroelectric power. When this item was last heard by the Finance Committee, on October 21, 1992, specific questions were asked by the Committee to the Budget Analyst, the Hetch Hetchy General Manager and the City Attorney. This report addresses those questions.

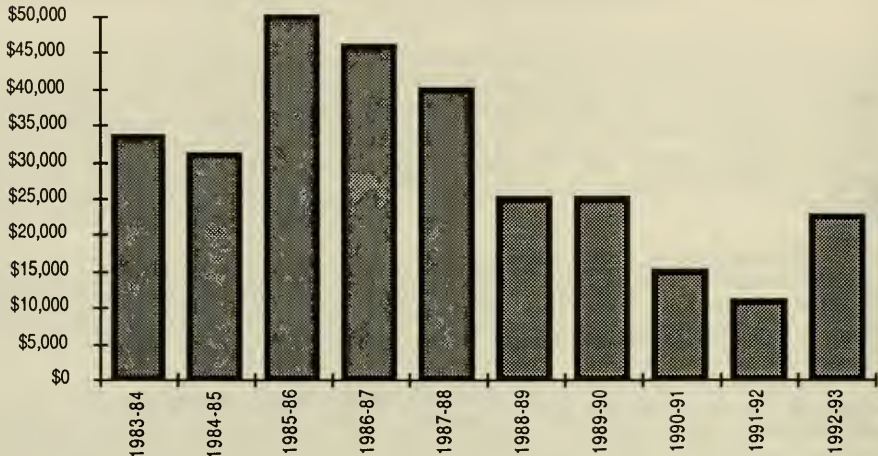
2. **Chronology of Contract Negotiations** - Attachment 1 is a copy of the City Attorney's memorandum concerning the history of negotiations between the City and County of San Francisco, the Pacific Gas & Electric Company and the Modesto/Turlock Irrigation Districts.

3. **The City's Options for Re-negotiation of the Contracts** - A separate memorandum explaining the City's options regarding re-negotiation of the terms and conditions of the PG&E and M/TID contracts is being prepared by the City Attorney and Hetch Hetchy. As of the writing of this report, this memorandum is not available. The Budget Analyst has been informed that the memo will be transmitted directly to the Finance Committee in advance of the November 4, 1992 hearing.

4. **Reconciliation of Financial Information with San Francisco Bay Guardian newspaper article** - The Budget Analyst was directed to analyze data published in a newspaper article printed in the SF Bay Guardian regarding historical trends in equity transfers of surplus funds from Hetch Hetchy to the General Fund and the costs and benefits of transactions between Hetch Hetchy, PG&E and M/TID over a sixteen-month period beginning in March 1991 and ending June 1992. This review is discussed below:

**Equity Transfers to the General Fund** - The graph below provides a history of transfers to the General Fund for the ten-year period beginning with fiscal year 1983-84 and ending with the current, 1992-93 fiscal year. The chart below shows that the graph printed in the Bay Guardian article was substantially correct. However, the scale of the Bay Guardian chart served to exaggerate the relative differences between annual transfer amounts by depicting the transfers over a truncated range of \$10 million to \$50 million rather than the full range of zero to \$50 million.

Equity Transfers to the General Fund by Fiscal Year (thousands)



Charter Section 6.407 specifies the manner in which surplus funds may be transferred from utility funds (i.e. Hetch Hetchy and the Water Department) to the General Fund. Essentially, up to 25% of a preceding fiscal year's surplus may be transferred to the General Fund after accounting for operations, maintenance and repair and needed capital acquisitions and improvements. Therefore, equity transfers to the General Fund do not entirely result from prior year sales of Hetch Hetchy's hydroelectric power, but also depend on expenditures for operating and capital costs, other revenue such as the sale of water, and surplus balances from past years that had not been transferred to the General Fund.

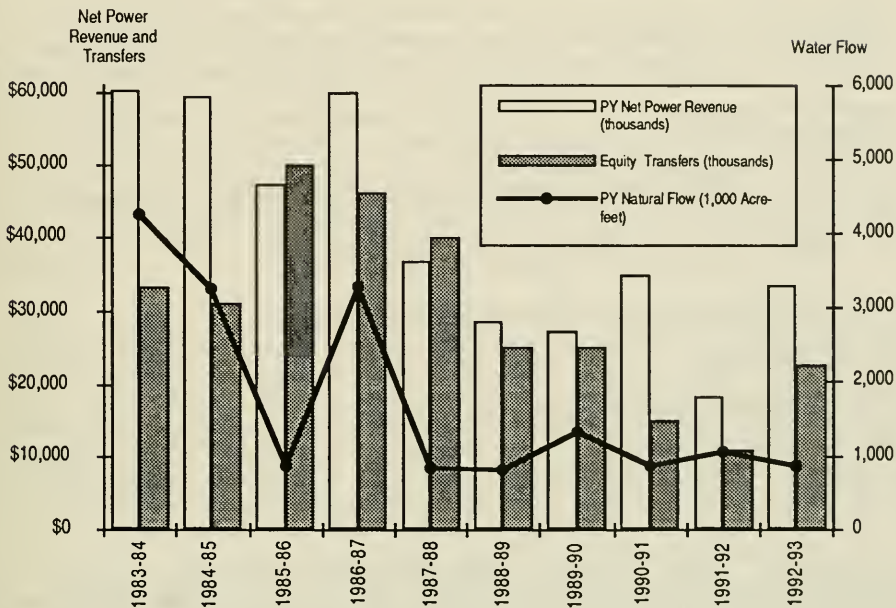
A further complication that must be taken into consideration when reviewing Hetch Hetchy transfers to the General Fund is of course the effects of recent drought years on the system's water supply and resulting net revenue from the generation of hydroelectric power. The chart on the following page shows the relationships between these factors.

The chart on the next page compares equity transfers from Hetch Hetchy to the General Fund on a fiscal year basis with prior year (PY) values for net power revenue (total hydroelectric power sold less the costs of PG&E services such as transmission expense and capacity reserve costs and the purchase of power purchased from PG&E in order to meet contractual obligations).

Also shown on the chart are values for Prior Year Natural Flow, a measure of total inflows, in acre-feet, into the Tuolumne River system. This provides a relative comparison, on a year-to-year basis, of water supply available to Hetch Hetchy for reservoir storage and hydroelectric power generation.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Comparison of Net Power Revenue, Equity Transfers to  
General Fund and Water Flow



Source data for the two charts shown above and on the preceding page are displayed below.

Fiscal Yr.	PY Net Power Revenue (thousands)	Equity Transfers (thousands)	PY Natural Flow (1,000 Acre-feet)
1983-84	\$60,350	\$33,295	4,245
1984-85	\$59,552	\$31,000	3,243
1985-86	\$47,252	\$50,000	855
1986-87	\$60,069	\$46,000	3,286
1987-88	\$36,740	\$40,000	833
1988-89	\$28,665	\$25,000	808
1989-90	\$27,156	\$25,000	1,302
1990-91	\$34,967	\$15,000	864
1991-92	\$18,220	\$11,000	1,035
1992-93	\$33,592	\$22,600	851

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

5. **Costs and Benefits from the Purchase of Supplemental Power from PG&E to meet M/TID demand** - The Finance Committee has directed the Budget Analyst to reconcile the differences between data reported by the Bay Guardian and Hetch Hetchy. The Bay Guardian reported that Hetch Hetchy lost approximately \$10.7 million over a sixteen-month period between March 1991 and June 1992. After conferring with Bay Guardian staff, the Budget Analyst was informed that their estimate of PG&E bills for services and the purchase of supplemental power was based on projections, of computed average payments by M/TID for such purchased power. The Bay Guardian staff then added the cost of capacity reserve payments to arrive at the \$10.7 million loss figure. These calculations are summarized below:

**Bay Guardian Calculations for Period of March 91 to June 92**  
(in millions)

Calculated cost of Purchased Power from PG&E	\$ (17.3)
Projected M/TID Payments for Purchased Power	<u>12.9</u>
"Sales Loss"	\$ (4.4)
Mandatory Capacity Reserve Charge	<u>(6.3)</u>
Total Loss	\$ (10.7)

In contrast to the Bay Guardian calculations shown above, Hetch Hetchy reports that during the same sixteen-month period, the City paid PG&E less than \$6.2 million for "supplemental power" to meet the Districts' demands and charged the M/TID over \$6.6 million for the same supplemental power, thereby realizing a net benefit of over \$400,000 instead of the Bay Guardian's calculated "Sales Loss" of \$4.4 million. Hetch Hetchy also reports that Capacity Reserve payments to PG&E over that same period amounted to \$5.98 million, but that this expenditure was necessary not only to guarantee supplemental power but to provide "firm capacity" for all power generated by Hetch Hetchy, thereby assuring total revenues from M/TID of \$27.6 million including not only the sale of power purchased from PG&E but also power generated by Hetch Hetchy itself.

According to Hetch Hetchy, if capacity reserves were not guaranteed by PG&E, the City would not be able to sell power at firm power rates and therefore would not have realized total revenues of \$27.6 million over this period. Hetch Hetchy further adds that the contract with PG&E provides "capacity reserve credits" which reduced supplemental power purchase costs by \$7.3 million over the period analyzed.

The Finance Committee directed the Budget Analyst to review billings from PG&E and payments by M/TID. As of the writing of this report, the Budget Analyst has not yet received source data to perform this review.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



6. **Power Market Analysis** - The Finance Committee also directed the Budget Analyst to review any alternative market data or analyses for the services provided by PG&E to the City and long-term power sales agreements comparable to the City's contracts with M/TID.

Hetch Hetchy reports that no alternatives exist to the transmission, firming and other services provided by PG&E to the City. Therefore, they are unable to provide meaningful data to compare with the PG&E agreement.

Hetch Hetchy consultants, Stone & Webster, Inc. have provided a review of seven other long term power sales agreements in comparison to the City contracts with M/TID. The consultants note many factors that make comparisons difficult, such as the buyer/seller relationships, the years the agreements were initiated, the terms of the contracts, energy requirements and delivery contingencies. Such factors can cause variations in power prices of between 5% and 25% according to the consultants.

Hetch Hetchy's consultants conclude that, while acknowledging these differences, the City's current price for Class 3 power sold to M/TID of 40 mills per kilowatt hour (\$.04) is at the low end of the market, which ranges from 40 to 50 mills per kilowatt hour. The Budget Analyst notes that this difference between the M/TID contract and other long term markets remains substantially unchanged from prior reports by the Budget Analyst, based on surveys performed by Hetch Hetchy's consultants in 1984 and 1988. In these prior reports, the Budget Analyst concluded that if the M/TID agreements reflected other market data provided by Hetch Hetchy's consultants, then the City would realize substantially greater revenues.

Despite the fact that greater revenues could be achieved if the M/TID agreements were comparable to other long term sales contracts, according to Hetch Hetchy and the City Attorney, no opportunities exist to modify the existing M/TID agreements through re-negotiation under the contract terms and conditions.

CITY AND COUNTY OF SAN FRANCISCO

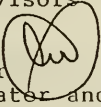
LOUISE H. RENNE  
CITY ATTORNEY  
CITY HALL


WATER SECTION  
Thomas M. Berliner  
Joshua D. Milstein  
John S. Roddy  
Christiane Hayashi Trippe  
Deputy City Attorneys  
(415) 554-4295

M E M O R A N D U M

DATE: October 30, 1992

TO: SUPERVISOR JIM GONZALES  
Chair, Finance Committee  
Board of Supervisors

THROUGH: ANSON B. MORAN   
General Manager  
Hetch Hetchy Water and Power

FROM: THOMAS M. BERLINER   
Deputy City Attorney

RE: History of Negotiations With Pacific Gas & Electric  
Company and the Modesto and Turlock Irrigation  
Districts Concerning Power Sales Contracts  
(Our Ref. No. P0019/84)

Pursuant to your request attached is a chronology of events leading up to the current power sales contracts with PG&E and the Modesto and Turlock Irrigation Districts (sometimes referred to as MID, TID or collectively as "Districts").

T.M.B.

Enclosure

cc: w/ enc.  
Sup. Hallinan  
Sup. Migden  
Budget Analyst  
T. Lakey

1470P/3

Attachment 1 - page 2 of 3

CHRONOLOGY OF EVENTS RELATING TO POWER CONTRACTS WITH THE MODESTO  
IRRIGATION DISTRICT, TURLOCK IRRIGATION DISTRICT AND PACIFIC GAS  
AND ELECTRIC COMPANY

<u>DATES</u>	<u>COMMENTS</u>
1945	City signs contract with PG&E for supplemental power and support services. (Contract expires 1987, per amendments.)
1973	City signs power sales contracts with Districts. Sold total output of Hetch Hetchy Project as "firm" power.
Nov. 1973	OPEC oil crisis escalated market rates. Over next several years City derived substantial revenues from PG&E "assigned customers."
1978	City unsuccessfully litigates with Districts to raise rates for power.
1979	Airlines unsuccessfully sue City re power of PUC to <u>set</u> rates.
July, 1980	Hetch Hetchy solicits 15 public agencies for interest in purchase of Hetch Hetchy power.
1981	Hetch Hetchy consultant, Auslam & Associates, recommended Districts, Western Area Power Administration (WAPA) as potential customers.
1981-1982 <sup>1/</sup>	PG&E informs City that next PG&E contract would be on same terms as current contract, but without assigned customers.
1981-1982	City negotiates with Districts on basis of PG&E representations.
1983	PG&E changes contract parameters and informs City that if City negotiates firm power sales contracts, City must pay for firming services. (See 1981-82.) PG&E elects to contract directly with Districts for support services.
	PG&E discovers failure to escalate rate base from 1973. Cost to PG&E of approximately \$4 million/year.

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<sup>1/</sup> In late 1981 or early 1982, PG&E orally informed Dean Coffey - exact date unknown.



DATESCOMMENTS

1983 Districts discuss purchase of firm power from City. Districts will purchase additional power elsewhere.

Late 1983 Districts contend Hetch Hetchy not firm power so would pay us "dump power" (5-7 mills). Hetch Hetchy discusses firming with PG&E. City negotiates with Districts concerning firm power rates.

1984 Auslam and Associates' report recommends sale price of between 30-40 mills/kwh based upon amounts of power available from Pacific Northwest and Southwest.

Aug. 1984 MID prepared to sign contract with City; breaks away from TID. Proposed contract at 40 mills.

Sept. 1984 Rep. Tony Coelho's introduces legislation for TID to compel City power sales at "cost." Legislation passes House of Representatives. Sen. Wilson objects on procedural grounds. City negotiates with Districts, meets with Rep. Coelho. Coelho outlines terms for agreement including: 30-year contract, price of 23 mills, District priority to power, right to use excess Hetch Hetchy transmission and capacity, and other conditions.

Sept. 1984 City and Districts sign "principles."

May, 1985 Board of Supervisors approves 2-1/2 year "Interim Agreements" with Districts. City to sell bulk of power above City's municipal needs to Districts for 30 years, at 36.25 mills (price includes capacity charge), plus escalation, and other "Coelho" terms.

June, 1985 Prior contracts with Districts expire. Replaced by Interim Agreement.

July, 1985 City and Districts sign "Amplified Principles."

Dec. 1987 PG&E 1945 contract, as amended, expires.

Jan. 1988 "Extension Agreement" with Districts becomes effective. Present agreement with PG&E becomes effective.

Feb. 1988 Board of Supervisors hearing on power contracts.

April, 1988 Long Term Agreements with Districts become effective.

1470P/4

Item 3 - File 100-92-9

This item is a hearing to consider the City's efforts to secure anticipated revenues and fund transfers needed to balance the 1992-93 fiscal year budget for the City and County of San Francisco.

On October 27, 1992 a joint report was issued by the Mayor's Budget Office, the Controller and the Budget Analyst on the status of matters which are still pending action to balance the FY 1992-93 budget. These matters include the following:

Airport Advance - (\$25 million) Ms. Angela Gittens of the Airport reports that the airlines are meeting on November 6, 1992 to further discuss this matter. November 12, 1992 is the deadline for all 19 airlines to individually submit their approved agreements to the Airport regarding the \$25 million advance to the City. Ms. Gittens indicates that, thus far, ten of the 19 airlines have unofficially agreed to the proposed arrangements. According to Ms. Gittens, the airlines are currently considering revisions to the proposed agreement, but as of the writing of this report, the specific revisions were not available.

PUC Equity Transfers and Land Sale - (\$7.2 million) These PUC funds include equity transfers from the Water Department (\$2.5 million), Hetch Hetchy (\$2.5 million) and the revenues from the sale of Water Department property to the Olympic Club (\$2.2 million). Ms. Jean Mariani of the Mayor's Office reports that she will be meeting with the Controller, City Attorney and PUC representatives prior to the November 4, 1992 Finance Committee meeting and that she will report orally to the Finance Committee regarding the outcome of these discussions.

Port Transfer - (\$1 million) The FY 1992-93 budget approved by the Board of Supervisors already includes the \$1 million transfer from the Port to the City's General Fund. However, the City Attorney has raised some questions regarding the legality of this transfer of funds, and is currently reviewing this issue. The City Attorney is anticipated to issue an opinion on this matter, in the immediate future.

On October 27, 1992, the Chair of the Finance Committee wrote a letter to Mayor Jordan requesting that these budget matters proposed by the Mayor as part of the 1992-93 budget be expedited by the Mayor's Office to enable the City's 1992-93 budget to be balanced.

The Controller's Office indicates that these matters need to be resolved by mid-November, 1992, in order to fully capture these revenue transfers by December 31, 1992. Ms. Mariani indicates that if these funds are not available for the 1992-93 General Fund, alternative budget reductions in MUNI and other General Fund departmental budgets would likely be necessary.



Item 4 - File 38-92-25

**Note:** This item was continued by the Finance Committee at its meeting of October 28, 1992.

**Department:** Recreation and Park Department

**Item:** Resolution accepting a cash gift of \$5,480 from Wells Fargo Bank, for publication of the Recreation and Park Department Summer Activities Brochure.

**Amount:** \$5,480

**Description:** The Recreation and Park Department reports that Wells Fargo Bank has donated a \$5,480 cash gift to fund the publication of the Department's 1992 summer activities brochure. The Recreation and Park Department advises that the \$5,480 donation, which has already been accepted and expended by the Department, helped to fund the publication of approximately 70,000 brochures, which were distributed to San Francisco schools, libraries and community agencies. The total cost of these brochures was \$13,882 with the balance of \$8,402 funded by General Fund monies (\$5,402), Pier 39 (\$2,000) and McKesson Foundation (\$1,000).

According to Ms. Diane Palacio, of the Recreation and Park Department, the \$5,480 charitable donation by Wells Fargo Bank represented a good will effort on the part of the bank.

**Comments:** 1. As noted above, the Department has already accepted and expended the \$5,480. Therefore, the proposed legislation should be amended to authorize the Department to accept the gift retroactively. Ms. Palacio advises that the Department did not previously request authorization from the Board of Supervisors for the acceptance of this gift due to an unintentional administrative oversight.

2. The Department is not requesting authorization to accept the \$2,000 from Pier 39 and the \$1,000 from McKesson Foundation because under Administrative Code Section 10.116, the Board of Supervisors authorizes City departments to accept cash gifts which do not exceed \$5,000.

Memo to Finance Committee  
November 4, 1992

**Recommendation:** Amend the proposed resolution to authorize the Department to accept the gift retroactively, and approve the resolution as amended.

Item 5 - File 64-92-24

**Departments:** Real Estate  
Mayor's Office of Children, Youth and their Families

**Item:** Resolution authorizing a new, four year lease.

**Location:** Suite 260, 10 United Nations Plaza

**Purpose of Lease:** Office space for the Mayor's Office of Children, Youth and their Families.

**Lessor:** Ten United Nations Plaza Associates

**No. of Sq. Ft. and Cost per Month:** \$1,875 monthly rent for approximately 1,500 sq. ft. or approximately \$1.25 per sq. ft. per month

**Annual Cost:** \$22,500

**Term of Lease:** October 1, 1992 through September 30, 1996 (four years)

**Source of Funds:** 1992-93 Children's Fund budget

**Utilities Provided By:** Lessee - monthly rent includes cost of gas, electricity, water, scavenger and janitorial

**Comments:**

1. The lessor, Ten United Nations Plaza Associates, will perform site alterations at their own expense in preparation for the occupancy by the Mayor's Office of Children, Youth and their Families.
2. According to the terms of the proposed lease, continuation of the proposed lease beyond the current fiscal year (1992-93) through September 30, 1996 would be subject to appropriation of funding for lease payments in the Children's Fund budgets for those future years.
3. After subtracting the 200 square feet of space occupied by the conference room, the remaining 1,300 square feet of space to be leased would provide an average of approximately 217 square feet of space for each of the six staff persons currently in the Mayor's Office of Children, Youth and their Families. Mr. Phil Aissen of the Real Estate Department reports that the request for space from the Mayor's Office of Children, Youth and their Families to the Real Estate Department indicated that the fiscal year 1992-93 staff would be seven and would grow to ten by fiscal year 1993-94, in addition to the need for a conference room to hold meetings with community



groups. Based on a staff of ten persons and after deducting the 200 square feet for the conference room, the average square feet per staff member would be 130 square feet.

4. Beginning January 1, 1994, the monthly rent shall be adjusted each calendar year for any increases in certain operating costs over and above the amounts in the first year of the lease for work performed at or for the benefit of the building. Such increases are passed through to all tenants of the building. The lessee's share of the increases in operating costs (such as building maintenance and security, insurance and property taxes) is 2.19 percent of the cost increases based on the lessee's relative share of space that the lessee occupies in the building (1,500 square feet divided by the total usable office space of the building, 68,500 square feet). The City Attorney's Office has prepared an attachment to the lease document that lists the operating costs (such as advertising, promotions, signs that benefit the owner or other tenants and tax penalties incurred by the lessor due to negligence) that must be excluded from the operating costs that may be passed through to the lessee. Mr. Aissen advises that the City's other leases of space at 10 United Nations Plaza (such as the Mayor's Office of Housing and the Mayor's Office of Community Development) include this same provision for the pass through of increases in certain operating costs. According to Real Estate, the provision to pass through increases over and above the amounts of certain operating costs incurred in the first year of the lease is necessary to protect the lessor from runaway increases in costs that benefit the lessee.

5. Prior to July 1, 1992 the single position of the Mayor's Office of Children, Youth and their Families occupied space in the Mayor's Office of Community Development offices at 10 United Nations Plaza on a temporary basis until creation of the Children's Fund and negotiation of a lease for the staff to administer the Children's Fund. The Mayor's Office of Children, Youth and their Families has been occupying this space since July 1, 1992 on a month-to-month temporary lease basis. As noted above, the proposed lease began on October 1, 1992. The proposed lease should be amended in order to authorize the proposed lease retroactively to October 1, 1992.

**Recommendation:** Amend the proposed resolution to authorize the proposed lease retroactive to October 1, 1992, and approve the proposed resolution as amended.



Items 6 and 7 - Files 97-92-61 and 172-92-15

**Departments:** Chief Administrative Officer (CAO)

**Items:** File 172-92-15, a proposed ordinance, contains the following provisions:

- (1) Approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate (including certain indemnities and the release of the seller contained therein);
- (2) Approving and authorizing (a) an assignment of purchase for sale of real estate; (b) a facilities lease (including certain indemnities contained therein); (c) a trust agreement (including certain indemnities contained therein); and (d) an official statement;
- (3) Authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco Certificates of Participation (1660 Mission Street Project) Series 1993;
- (4) Authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval;
- (5) Authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the Certificates of Participation; and
- (6) Adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property.

File 97-92-61 is a proposed ordinance amending the San Francisco Administrative Code by adding Chapter 10F thereof to establish a surcharge on plan, permit, environmental review, and related fees to recover costs for acquiring office space at 1660 Mission Street.

**Location:** 1660 Mission Street

**Purpose of Purchase:** To purchase a building as a location for a "One Stop Permit Shop" for building permits, i.e., to consolidate Bureau of Building Inspection, Planning Department, and Fire Department permit processes at a single location.

**Seller:** Paul B. Andrew, bankruptcy trustee appointed by the court to oversee the asset

**Developer:** The Derringer Group

**No. of Sq. Ft.:** 97,536 gross square feet; 66,987 net rentable square feet

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Total Cost:** \$5,700,000  
(\$85.09 per net rentable square foot; however, see Comment 11 regarding an additional cost of \$3.5 million for tenant improvements)

**Source of Funds:** Surcharge on plan, permit, environmental review, and related fees, collected by various departments, to support debt service for Certificates of Participation

**Description:** Currently, persons or companies wishing to build or remodel in San Francisco must visit up to four locations to receive permit approval: City-owned 450 McAllister, which houses the Department of City Planning, the DPW Bureau of Building Inspection, and certain Fire Department employees with permit responsibility; City Hall, which houses the DPW Division of Surveys and Maps; leased space at 524 Golden Gate, which houses employees of the Bureau of Building Inspection responsible for Plumbing and Electrical Permits; and leased space at Fox Plaza, which houses the code enforcement portion of the DPW Bureau of Building Inspection.

The proposed ordinance would support the purchase of 1660 Mission Street, an office building containing 66,987 rentable square feet of unfinished space, at a cost of approximately \$5.7 million. The building would be used to establish a "One Stop Permit Shop" (i.e., to consolidate Bureau of Building Inspection, Planning Department, and Fire Department permit processes at a single location instead of in the four current locations). 1660 Mission Street was completed to core and shell condition in mid-1991 and is a six-story steel frame office building with a one level subterranean garage. Included in the purchase price of this building is an adjacent vacant lot containing approximately 5,080 square feet, which will be used for parking.

The proposed purchase of 1660 Mission Street is to be financed with Series 1993 Certificates of Participation. Certificates of Participation are proportionate interests in the lease-purchase of property, which are sold to investors. The investors would receive a return on their investment through the lease payments made by the City. The City would assign its rights under the Purchase and Sale Agreement to a trustee, who would issue the Certificates of Participation. The City would then be obligated to make lease payments to the trustee to repay the holders of the Certificates of Participation.

To support these Certificates of Participation, the CAO proposes to implement a surcharge on the following categories of fees:

- (a) Plan Review Fees;
- (b) Building Code Fees;
- (c) Public Works fees;
- (d) Planning Code fees;
- (e) Administrative Code fees.

All of these fees would be increased, through a surcharge, as follows:

- (1) 3 percent for the period commencing July 1, 1993 through June 30, 1995;
- (2) a total of 4.5 percent for the period commencing July 1, 1995 through June 30, 2000; and
- (3) a total of 6.5 percent for the period commencing July 1, 2000 through June 30, 2005.

Effective July 1, 2005, the surcharge would expire.

The exact amount of the increase in fees, representing a surcharge, would vary depending on the size and complexity of the project. Mr. Larry Litchfield of the Bureau of Building Inspection reports. Based on estimated average sizes for small, medium and large jobs, Mr. Don McConlogue of the BBI reports that this surcharge would result in the following dollar costs:

- (1) 53 percent of permits consist of small residential projects, with an average value of \$5,800. Such projects would result in a surcharge of \$4.53 in the first period; \$6.80 in the second period; and \$9.82 in the third period;
- (2) 42 percent of permits consist of medium sized residential or commercial projects, with an average value of \$47,000. Such projects would result in a surcharge of \$42.83 in the first period; \$64.25 in the second period; and \$92.80 in the third period;
- (3) .1 percent of permits consist of large commercial projects, with an average value of \$402,000. Such a project would result in a surcharge of \$198.88 in the first period, \$298.32 in the second period; and \$430.90 in the third period.

Mr. McConlogue reports that the remaining approximately 5 percent of permits include miscellaneous projects whose fees are consistent with the fees noted above.

Fees are based on the valuation of a construction project, Mr. McConlogue advises. According to Mr. Fred Weiner of the CAO's Office, these surcharges are structured so as to result in revenues equal to the total debt service over the financing period, including the purchase price of the building, at \$5.7 million, and tenant improvements, at \$3.5 million, for a total of \$9.2 million plus financing costs of approximately \$1.87 million, for a total of \$11.07 million plus interest.

**Comments:**

1. According to Mr. Litchfield, 1660 Mission includes six floors, which would be used as follows:

*First Floor:*

to include 95 parking spaces, to be made available for public parking; and public information booths where seven employees would provide information regarding the status of an application, code interpretations, zoning and Fire Code information, etc.

*Second Floor:*

to include the permit center and the construction services center.

*Third and Fourth Floor:*

to include the building, electrical, plumbing, housing and code enforcement sections, including all inspectors.

*Fifth Floor:*

to include the administrative offices for the various applicable departments.

*Sixth Floor:*

to include offices for agency heads, Planning Commission meeting rooms, employee meeting rooms, other meeting room space, and an employee lunch room. (Note: The Budget Analyst questions the necessity of a lunch room.)

2. Mr. Weiner advises that approximately 300 employees, now occupying the four different locations noted in the description above, would relocate to 1660 Mission Street. According to Mr. DeLucchi, Director of Property, 450 McAllister consists of approximately 40,000 square foot, while the remaining three locations consist of approximately 8,300 square feet, for a total of 48,300 square feet. 1660 Mission Street contains 66,987 rentable square feet, representing an increase of 18,687 square feet, or approximately 39 percent. Each employee would occupy an average of 223 square feet, including a portion of public meeting rooms and interview rooms, whereas presently each employee occupies an average of 146 square feet. Mr. DeLucchi advises that current conditions are

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



overcrowded, and that the new space would also include meeting and interview rooms not currently in place.

3. Mr. Litchfield anticipates a 20 percent improvement in efficiency as a result of the proposed "One Stop Permit Shop." This 20 percent improvement in efficiency is based on the experiences of Phoenix, Arizona, and San Diego, California, where the consolidation of permit processing has resulted in a 20 percent reduction in permit processing time. However, there is no documentation as to the percentage of efficiency that would be achieved in San Francisco. Mr. Litchfield advises that, based on meetings with permit applicants, most permit applicants who have been in contact with the departments have indicated a willingness to pay increased fees in exchange for reduced permit processing time. However, there is no documentation as to whether such applicants, who have been in contact with the various departments, are representative of all of the applicants on an annual basis. Currently, permit processing time takes from one day for small remodeling projects, such as kitchen remodeling, reroofing, or window replacement, to 90 days for large construction projects.

4. Mr. Litchfield advises that because of the increased efficiency, the various departments would be able to process a larger number of permits in the proposed new building with the same number of employees. Therefore, the proposed new building would accommodate any growth in permit requests in future years, Mr. Litchfield reports.

5. According to Mr. Litchfield, if the proposed "One Stop Permit Shop" is established at 1660 Mission, the permit application process would be restructured. Instead of applicants submitting applications in writing which are later reviewed by permit processors, applicants would meet with permit processors to review applications in person. This new process is anticipated to result in substantial increased efficiencies beyond the anticipated 20 percent increased efficiency noted above, Mr. Litchfield reports.

6. Mr. Litchfield reports that, in accordance with a 1989 recommendation by the Budget Analyst, permit processing has already been somewhat consolidated into a Construction Services Center at 450 McAllister. The Construction Services Center consists of two City Planning employees, two Fire Department employees, and two Surveys and Mapping employees who provide information to the public. Mr. Litchfield advises that this consolidation has resulted in the ability to issue permits over the counter for small residential improvement projects. However, due to space limitations at

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

450 McAllister, most employees who carry out permit processing functions are located on a number of different floors. As of the writing of this report, the Budget Analyst has not been provided with any documentation regarding increased efficiency as a result of the Construction Services Center.

7. According to Mr. Weiner, savings from terminating the lease at 524 Golden Gate and at Fox Plaza would total approximately \$128,868 per year, including \$46,068 for Fox Plaza and \$82,800 at 524 Golden Gate. Mr. Weiner advises that these leases will terminate prior to the proposed occupation of 1660 Mission Street. Future additional rental costs would be avoided when the employees were moved to 1660 Mission Street from the City-owned 450 McAllister, because this would enable City Hall employees to relocate to 450 McAllister during seismic renovations at City Hall, instead of relocating to rented spaces, Mr. Litchfield advises.

8. Mr. Weiner reports that the CAO had previously considered constructing a new building on the City-owned 450 McAllister site and adjoining lots. However, Mr. Weiner advises that the cost of constructing a new building at that site would be approximately \$60 to \$70 million. That site is now proposed as a possible location for a new courthouse, to be funded from the Courthouse Construction Fund, Ms. Kate Harrison of the Superior Court advises.

9. Mr. Litchfield reports that several alternative locations were investigated for possible rental rather than purchase, including the Coca Cola Building on 11th Street, 614 Van Ness at Golden Gate. However, these buildings would be costly to rent. In addition, these buildings are not seismically sound or handicapped accessible, and would therefore require substantial improvements, Mr. Litchfield reports. According to Mr. DeLucchi, 1660 Mission Street was constructed in accordance with the seismic safety standards as set forth in the 1979 Uniform Building Code, as mandated by the Board of Supervisors in January, 1984. The building is also handicapped accessible, in accordance with Title 24 of the State Code.

10. According to Mr. DeLucchi, construction on 1660 Mission began four years ago. One year ago, after the Darringer Group declared bankruptcy, the building came into the jurisdiction of the bankruptcy court. The City has negotiated to pay \$5,700,000 for 1660 Mission, less outstanding fees owed to the City in the amount of \$455,000 for affordable housing. These fees would be paid by the City from an escrow account. The seller would receive the remaining \$5,245,000.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



11. If the proposed ordinance is approved, Mr. Litchfield anticipates that tenant improvements would be completed and the building could be occupied by January 1, 1994. Such tenant improvements would cost approximately \$3.5 million. The estimated \$3.5 million in tenant improvements would be in addition to the proposed purchase price of \$5.7 million, for a total acquisition price for 1660 Mission Street of \$9.2 million, which would be paid from the Certificates of Participation plus interest. Tenant improvements consist of constructing walls, partitions, installing heat, ventilation, and air conditioning, carpeting, etc. Moving costs are included in the budget for tenant improvements, Mr. Weiner reports. The funds for these tenant improvements would come from the sale of the Certificates of Participation noted above, which would be repaid from the fee surcharges.

12. According to Mr. DeLucchi, tenant improvements would need to be completed at any facility occupied by the City. The cost of such improvements would vary based on the negotiations with the seller or renter, according to Mr. DeLucchi.

13. Mr. DeLucchi advises that the cost to the City of constructing a new building comparable to the present 1660 Mission Street building is estimated to be approximately \$11,803,900, (including approximately \$10,725,000 (based on \$110 per gross square foot times approximately 97,500 square feet) for the building alone, plus approximately \$1,078,800 for the land (based on \$60 per square foot times 17,980 total square feet of land)) or over twice the cost of the proposed acquisition of 1660 Mission Street for \$5,700,000. Tenant improvements, which are budgeted for 1660 Mission at approximately \$3.5 million in addition to the purchase price, would be in addition to construction and land costs for a new building. Therefore, the estimated cost of constructing a new building is approximately \$15,303,900 plus interest (assuming that tenant improvement costs for a new building would be \$3.5 million), or approximately \$6,103,900, or 66 percent more than purchasing 1660 Mission Street, which is estimated to cost \$9.2 million, including tenant improvements. Financing costs for this new building would be higher than comparable costs to acquire 1660 Mission because the total Certificates of Participation issue would be higher. Mr. Weiner advises that the Derringer Group and related financing institutions invested approximately \$17 million in the construction of 1660 Mission Street.

14. Mr. Litchfield advises that the City's permit processing procedures are anticipated to be improved because a new

employee with inter-departmental authority is being hired to coordinate permit processing. A new classification for this position has been approved by the Civil Service Commission and has been included in the FY 1992-93 budget. The new position will also be the person responsible for coordinating the Construction Services Center. If the proposed ordinance is approved, this new position would be instrumental in laying out and formalizing the permit processing plans at 1660 Mission Street, Mr. Litchfield reports.

15. The Budget Analyst notes that the departments have no documentation supporting anticipated increased efficiency or reduced rental costs. Therefore, the Budget Analyst recommends that, if the Board of Supervisors approves this proposed ordinance, the various departments be required to present an annual report to the Board of Supervisors documenting increased efficiency, reduced rental costs, and any other relevant information as a result of the proposed building purchase.

16. According to Mr. Weiner, the CAO anticipates introducing an Amendment of the Whole for the proposed ordinance (File 172-92-15) that would allow the CAO to negotiate the sale of the Certificates of Participation to an underwriter, if such a negotiation would be in the best interests of the City. However, the CAO currently anticipates competitively bidding the Certificates of Participation unless the market changes significantly over the next few months.

**Recommendations:** (1) Amend the proposed ordinance to require annual reports documenting improvements in efficiency, reduced rental costs, and any other relevant information as a result of the proposed building purchase. (File 172-92-15)

(2) Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Item 8 - File 65-92-11

**Departments:** Real Estate  
San Francisco Clean Water Program

**Item:** Ordinance authorizing and approving a renewal lease of City-owned property at 1800 Oakdale Avenue (Southeast Community Facility, Northwest corner of Phelps Street and Oakdale Avenue) to the San Francisco Community College District to operate a satellite campus of the City College of San Francisco

**Location:** 1800 Oakdale Avenue, commonly known as the Southeast Community Center

**Purpose of Lease:** Space for a skills center consisting of classrooms, a library and other educational facility support services for the San Francisco Community College District for use as a satellite campus of the City College of San Francisco

**Lessee:** San Francisco Community College District

**No. of Sq. Ft. and Cost per Month:** \$13,104.18 monthly rent for approximately 35,800 sq. ft. or approximately \$0.37 per sq. ft. per month

**Annual Revenue:** \$157,250

**% Increase Over Prior Year:** None - The Real Estate Department states that because of budget constraints, the San Francisco Community College District cannot afford an increase in rent for fiscal year 1992-93 (the proposed lease does provide for three percent annual increases in rent beginning July 1, 1993).

**Term of Lease:** From date of lease execution through June 30, 1995 (two years and seven months if lease is finally approved effective December 1, 1992). Presently, the lease is on a month-to-month basis.

**Comments:**

1. The San Francisco Community College District has occupied the Southeast Community Center since 1986 under a five year lease that expired on October 30, 1991 and on a month-to-month basis since October 31, 1991.
2. On July 1 of each year beginning in 1993 the rental amount will be increased by three percent.

3. A provision of the proposed lease requires the Clean Water Program to make modifications to the Southeast Community Center space that is occupied by the City College to meet disabled access requirements as required by the American Disabilities Act. The Clean Water Program estimates the cost of such improvements will total approximately \$48,000. Funding for the improvements will be included in the 1993-94 Clean Water Program budget. The San Francisco Community College District will not reimburse any of these costs which are the responsibility of the building owner.

4. The City will provide utility services including gas, water, electricity, heating, ventilation, air conditioning, parking, landscaping, and sewer. The San Francisco Community College District will continue to reimburse the City for 85 percent of the total utility services costs for the whole building. The 85 percent rate for reimbursement was negotiated based on the 35,800 square feet of space occupied by the City College compared to the total area of the Southeast Community Center of approximately 42,500 square feet (approximately 85 percent). The Head Start Child Care Program and the Senior Escort Program occupy the remaining 6,700 square feet of space at the center. The San Francisco Community College District reimbursed the City \$12,448 for water and sewage service in fiscal year 1991-92, according to Mr. Alex Pitcher of the Clean Water Program. Mr. Pitcher was not able to provide the amount of reimbursements for electricity or other utilities, as of the writing of this report. The San Francisco Community College District is wholly responsible for security costs for the entire facility.

5. The Southeast Community Center was constructed in 1986 to mitigate the construction of the Southeast Treatment Plant. The mitigation order issued by the State Water Resources Control Board requires that a skills center be located at the Southeast Community Center. Mr. John Roddy of the City Attorney's Office states that the mitigation order requirement that a skills center occupy the facility has been met by locating the City College of San Francisco satellite campus at the Southeast Community Center.

6. The Real Estate Department reports that although the proposed rental amount is below the fair market value of rent for the area, the San Francisco Community College District provides a public benefit in accordance with the designated use for the facility. According to the August 7, 1992 letter from the Real Estate Department to the Budget Analyst regarding a new lease for the Head Start Child Care Program at the Southeast Community Center (File 65-92-12),

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



the fair market value of space at the center is \$1.25 per square foot per month (\$15 per year), or \$537,000 annually for the 35,800 square feet of space occupied by the San Francisco Community College District. The proposed annual rent of \$157,250 is \$379,750 or approximately 71 percent less than the fair market value of \$537,000. Therefore, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

7. The Budget Analyst is currently performing a management audit of the Clean Water Program that is responsible for operation of the Southeast Community Center. The audit scope includes an examination of the matter of actual rents for the use of space that are less than the fair market value of the space. The report to be issued as a result of this examination will include recommendations regarding the computation of rents for use of space.

8. Given that the proposed rental rate for the lease is \$379,750 or approximately 71 percent less than fair market value of \$537,000, the Budget Analyst recommends that the lease with the San Francisco Community College District continue on a month-to-month basis and that the proposed ordinance, which would result in a lease renewal for approximately two years and seven months, be continued to the call of the Chair until the Budget Analyst's management audit report of the Clean Water Program is completed and submitted to the Board of Supervisors. The Budget Analyst anticipates submitting this management audit to the Board of Supervisors in January, 1993.

**Recommendation:** The proposed ordinance should be continued to the call of the Chair, pending submission to the Board of Supervisors of the Budget Analyst's management audit report on the Clean Water Program. The lease of space at the Southeast Community Center to the San Francisco Community College District should continue on a month-to-month basis.





Item 9 - File 124-92-9

**Note:** This item was transferred from the Economic and Social Policy Committee on October 27, 1992 because of its fiscal impact.

**Department:** Parking Authority

**Item:** Ordinance amending the Traffic Code by amending Section 32.8.12 thereof, to authorize the removal of the 38 metered parking spaces at 1350 Bush Street.

**Description:** The metered parking facility at 1350 Bush Street, which will become an annex to the new Polk-Bush Garage facility, currently contains 38 metered parking spaces on property leased from the San Francisco Unified School District. This annex will be converted from the existing 38-space metered parking facility to a 32-space secured monthly parking facility addition to the adjoining Polk-Bush Parking Garage. The Polk-Bush Parking Garage has 132 parking spaces, which would be increased to 164 parking spaces with the addition of 32 parking spaces from the parking annex at 1350 Bush Street.

**Comments:** 1. Mr. Kevin Hagerty, Director of the Parking Authority, advises that the 1350 Bush Street metered parking facility generated \$16,135 in gross revenues during FY 1991-92, of which \$3,900 was deducted for the cleaning of the metered parking area leaving a net revenue of \$12,235. Further, Mr. Hagerty reports that the conversion of the existing metered parking facility into an annex to the new Polk-Bush Garage is estimated to cost approximately \$50,000 (previously reported to cost \$40,000), which would be paid for by previously appropriated Off-Street Parking Funds.

2. Based on a gross revenue of \$16,135 in FY 1991-92 from a total of 38 meters at the 1350 Bush Street metered parking facility, an average of \$424.60 was generated annually from each meter (\$16,135 divided by 38). Further, since the metered parking area was in operation six days per week or 312 days during FY 1991-92, and the average cost per metered parking was 30 cents per hour, each meter collected an average of \$1.36 per day (\$424.60 divided by 312 days) and the average use per meter was 4.5 hours per day (\$1.36 divided by 30 cents per hour).

3. As previously noted, the parking annex would have six less parking spaces, a reduction from 38 spaces to 32 spaces, with the conversion from metered parking to parking as part of a new Polk-Bush Garage. Mr. Hagerty advises that

the reduction of six spaces is necessitated by the installation of a new gate that is recessed at the current entrance on Bush Street. The placement of the new gate requires the removal of six existing parking spaces.

4. Mr. Hagerty also advises that the 38 meters will be removed by the Department of Parking and Traffic's meter shop as part of their normal duties at the time the contractor for the Polk-Bush Garage renovates the annex for the additional garage space. Mr. Hagerty estimates that this work would begin in approximately three weeks and that the conversion would require from four to six weeks to complete. The 38 meters will be used to replace broken meters throughout the City as needed.

5. Mr. Hagerty also reports that merchants in the immediate vicinity of the proposed parking annex strongly support the conversion of the existing metered parking facility into a monthly parking facility because loitering, vandalism and other negative street activities are currently taking place at the existing metered facility. With the proposed conversion from metered parking, a new monthly rental parking facility annex would eliminate transient parking on a daily basis.

6. On August 17, 1992, the Board of Supervisors adopted Ordinance 273-92 (File 47-92-5) authorizing a management agreement with a private garage operator to manage the Polk-Bush Parking Garage. The management agreement (after deduction of parking tax and payment of \$12,000 annual rent for the annex property) would allow the garage operator to receive a monthly management fee (based on the monthly cost to operate the garage and to be adjusted annually according to the Consumer Price Index) paid from the gross parking revenues and five percent of the garage gross revenues exceeding \$300,000 per year. The balance of revenues would accrue to the City's Off-Street Parking Fund.

7. On October 13, 1992, the Board of Supervisors approved Resolution No. (File 47-92-5.1), which awarded management of the Polk-Bush Garage to the firm of City Parking.

8. The Parking Authority estimates that the Polk-Bush Garage and annex will initially generate gross annual revenues of \$275,000. The Parking Authority estimates that \$55,000 of the \$275,000 would be deducted for parking tax, based on a 25 percent parking tax, leaving a balance of \$220,000 (1.25 divided by \$275,000). Of the remaining

\$220,000, the Parking Authority estimates that \$12,000 would be paid to the San Francisco Unified School District for rental of the annex property, the management fee of \$156,948 (\$13,079 monthly) would be paid to City Parking, and a balance of \$51,052 less the operator's expenses for property insurance and possessory interest tax would accrue to the City's Off-Street Parking Fund. Mr. Hagerty states that estimates of the costs of property insurance and possessory interest tax have not been made because this is the first time that a management agreement has been used and because there are no other garages with comparable characteristics to the Polk-Bush Garage that can be used as a basis for these estimates. In Mr. Hagerty's opinion, these costs for property insurance and possessory interest tax will not exceed the estimated balance of \$51,052 net income.

9. This item was approved by the Economic and Social Policy Committee on October 27, 1992 and transferred to the Finance Committee because of its fiscal impact.

**Recommendation:** Approve the proposed ordinance.



Item 10 - File 161-92-7

**Note:** This item was transferred from the Economic and Social Policy Committee on October 27, 1992 because of its fiscal impact.

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution amending Resolution No. 177-90, designating and describing the South of Market Survey Area by adding additional land.

**Description:** In response to the Loma Prieta earthquake, on March 12, 1990 the Board of Supervisors designated a portion of the South of Market area, that had sustained earthquake-related damage, as a Redevelopment Survey Area that was subsequently called the South of Market Earthquake Recovery Redevelopment Project Area. As the name suggests, the SFRA is limited to redeveloping earthquake-damaged properties in the South of Market Earthquake Recovery Redevelopment Project Area. The proposed resolution would amend the South of Market Earthquake Survey Area to expand the boundaries to include properties that were not directly damaged by the earthquake.

Although not the subject of the proposed resolution, the SFRA is ultimately proposing to amend the South of Market Earthquake Recovery Redevelopment Plan to convert it to a more conventional Redevelopment Plan and to expand the SFRA's revitalization efforts beyond properties that were directly damaged by the Loma Prieta earthquake. The SFRA has not yet developed a proposed amendment to the Redevelopment Project Area Plan for the proposed amended survey area because the Board of Supervisors must first amend the survey area before a plan can be developed.

As outlined on the attached map, the proposed expansion of the South of Market Redevelopment Survey Area would include the area between Seventh, Harrison, Folsom and Columbia Square Streets and the area between Clementina, Fifth, Harrison and parcels just south of Fourth Streets.

According to Mr. Erwin Tanjuaquio of the SFRA, if the proposed resolution and the subsequent revised South of Market Earthquake Recovery Redevelopment Project Area Plan are approved, the SFRA intends to pursue construction of affordable housing in the proposed expanded project area. As the attached map illustrates, there are several potential sites to construct affordable housing. In addition, the SFRA would pursue economic development activities such as



providing small business loans and grants to business owners located in the proposed expanded project area.

**Comments:**

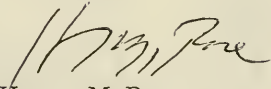
1. Mr. Bob Gamble of the Redevelopment Agency advises that the proposed South of Market Earthquake Recovery Redevelopment Project Area expansion would, if approved by the Mayor and the Board of Supervisors, eventually allow the SFRA to issue additional tax increment bonds and claim additional tax increment revenues from the South of Market Earthquake Recovery Redevelopment Project Area. However, the proposed resolution would only amend the survey area and, as previously noted, not approve a revised Redevelopment Project Area Plan. A South of Market Earthquake Recovery Redevelopment Project Area Plan would outline generally the projects which the SFRA would undertake, and would contain the estimated costs of such projects and the expected sources of revenues. As such, the fiscal impact of expanding the South of Market Earthquake Recovery Redevelopment Project Area would not be known until a revised South of Market Earthquake Recovery Redevelopment Project Area Plan has been completed and submitted to the Board of Supervisors.

However, if the proposed resolution and subsequent Redevelopment Project Plan are approved, the proposed expansion would most likely result in a fiscal impact to the City of greater than \$10,000 annually because the SFRA would have a greater amount of potential tax increment revenues to claim to repay potential tax increment bonds. To have a fiscal impact of greater than \$10,000 the SFRA would have to issue tax increment bonds of \$163,000 based on tax increment revenues from the proposed expanded areas. In FY 1992-93, the Agency will issue approximately \$3.7 million in tax increment bonds for the South of Market Earthquake Recovery Redevelopment Project Area. Thus, it is likely that if the proposed resolution and subsequent Redevelopment Project Plan are approved, the proposed expansion would result in a fiscal impact to the City of greater than \$10,000 annually.

2. This item was approved by the Economic and Social Policy Committee on October 27, 1992 and transferred to the Finance Committee because of its fiscal impact.



**Recommendation:** The proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Ted Lakey



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**BOARD OF SUPERVISORS**

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

November 2, 1992

TO: Finance Committee  
FROM: Budget Analyst *Recommendations*  
SUBJECT: November 4, 1992 Finance Committee Meeting

**REVISED**

Item 1a - File 101-91-38.4

**Note:** This item was continued at the October 28, 1992 Finance Committee Meeting.

**Department:** Public Library

**Item:** Request for release of reserved funds for geotechnical services during construction of the new Main Library

**Amount:** \$106,898

**Source of Funds:** 1988 Library Improvement Bonds

**Description:** The Board of Supervisors has previously approved a supplemental appropriation (File 101-91-38) in the amount of \$4,015,003 for project services related to the construction of the new Main Library. Of the \$4,015,003 appropriated, a total of \$1,529,805 was placed on reserve pending selection of contractors and determination of the MBE/WBE status of the contractors and contract cost details. Of the \$1,529,805 originally placed on reserve, a total of \$549,772 has previously been released by the Finance Committee, leaving a balance of \$980,033 on reserve.

The balance of \$980,033 in reserved funding includes \$120,000 for geotechnical services consulting. This item is a request to release \$106,898 of the \$120,000 reserve for geotechnical services.

The geotechnical services consultant would 1) monitor the excavation activities for the new Main Library to determine that the actual soil conditions encountered during excavation are compatible with the design requirements by performing and evaluating soil density tests, 2) review and approve the shoring design submitted by the construction contractor, 3) observe excavation in preparation for the foundation and 4) monitor the pile driving associated with shoring and foundation work.

The geotechnical consulting firm of Geo/Resource Consultants, Inc., was retained by the construction management contractor, O'Brien-Kreitzberg & Associates, Inc., as a subcontractor to assist in preparation of the Environmental Impact Report. According to Mr. Russ Abel of the Department of Public Works, Bureau of Architecture, in order to maintain continuity of professional responsibility throughout the construction of the new Main Library, it is desirable to utilize the same geotechnical consultant for all phases of the planning, design and construction of the new Main Library. Therefore, Geo/Resource Consultants, Inc., will continue as the geotechnical consultant subcontractor under the prime contractor, O'Brien-Kreitzberg for the new Main Library construction project.

Geo/Resource Consultants, Inc., is a local business but is not an MBE or WBE firm. Geo/Resource Consultants, Inc., has estimated the costs for their services totaling \$106,898, as follows:

Professional Services:	
Principal Engineer (90 hours @ \$120 per hour)	\$10,800
Project Engineer (220 hours @ \$90 per hour)	19,800
Staff Engineer (548 hours @ \$65 per hour)	35,620
Support Staff (74 hours @ \$40 per hour)	2,960
Total-Professional Services	\$69,180

Sub-Subcontracts:	
Shoring Review and Soil Observation	\$20,000
Treadwell & Rollo, neither MBE nor WBE, Engineer/Scientist rates from \$55 to \$140 per hour	
Indicator Piles:	
Institu Tech	6,080
Neither MBE nor WBE, field work is \$165 per hour and office work is \$135 per hour	
Robert Pyke	<u>1,920</u>
Neither MBE nor WBE, 16 hours at \$120 per hour	
Total-Subcontracts	<u>\$28,000</u>
Total - Geo/Resource Consultants, Inc.	\$97,180
O'Brien-Kreitzberg administration of Geo/Resource Consultants, Inc., subcontract (10 percent per master agreement)	
	<u>\$9,718</u>
Total Requested Release of Reserve	\$106,898

**Comments:**

1. According to Mr. Abel, the cost estimates for Shoring Review and Soil Observation (\$20,000) and for Indicator Piles, Institu Tech (\$6,080) are not based on estimates of hours of work multiplied by hourly rates paid to professional staff. Mr Abel indicates that cost estimates for excavation work cannot be precise because the scope of work is subject to revision depending on conditions that cannot be known until the excavation has actually begun. If the costs for the excavation work exceed the above estimates, the excesses will be charged against the budget for contingencies (see Comment 2, below).

2. Upon re-reviewing the proposed release of reserved funds, Mr. Abel noted that a ten percent contingency was not included in the amount originally requested to be released. According to Mr. Abel, the unpredictable, actual scope of the work to be performed that is dependent upon the work of other subcontractors and upon underground conditions that will not be known until the excavation is completed requires a ten percent contingency in the budget for geotechnical services. Therefore, Mr. Abel requests that an additional \$10,690 (ten percent of \$106,898) be released for contingencies for a total release of reserved funds of \$117,588 (\$106,898 plus \$10,690), which is still within the \$120,000 that was budgeted and reserved for geotechnical services.

**Recommendation:** Release reserved funds in the amount of \$117,588 including the originally requested amount of \$106,898 plus the additional \$10,690 for contingencies.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





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PLEASE NOTE THAT MEETING  
WILL BEGIN AT 12:00 NOON

CALENDAR

**RECESSED MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO**

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MONDAY, NOVEMBER 9, 1992 - 12:00 NOON

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ AND HALLINAN

ABSENT: SUPERVISOR MIGDEN

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

1. File 97-92-61. [Fee Surcharges] Ordinance amending Administrative Code by adding Chapter 10F, to establish a surcharge on plan, permit, environmental review, and related fees to recover costs for acquiring office space at 1660 Mission Street; companion measure to File 172-92-15. (Chief Administrative Officer)  
(Recessed from 11/4/92)

ACTION: Continued to November 18, 1992, meeting.

2. File 172-92-15. [Agreement] Ordinance approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate, (including certain indemnities and the release of the seller contained therein), an assignment of agreement for purchase and sale agreement of real estate, a facilities lease (including certain indemnities contained therein), a trust agreement (including certain indemnities contained therein), and an official statement; authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco certificates of participation (1660 Mission Street Project) Series 1993; authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval; authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the certificates of participation; and adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property; companion measure to File 97-92-61. (Chief Administrative Officer)  
(Recessed from 11/4/92)

**ACTION:** Amendment of the Whole adopted. Entitled: "[Project Lease] Approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate (including certain indemnities and the release of the seller contained therein), an assignment of agreement of purchase and sale for real estate, a facilities lease (including certain indemnities contained therein), a trust agreement (including certain indemnities contained therein), and an official statement; authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco certificates of participation (1660 Mission Street Project) Series 1993; authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval; authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the certificates of participation; and adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property. Continued to November 18, 1992, meeting.

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CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

November 6, 1992

**TO:** Finance Committee  
**FROM:** Budget Analyst  
**SUBJECT:** November 9, 1992 Recessed Meeting of the Finance Committee

Items 1 and 2 - Files 97-92-61 and 172-92-15

**Note:** These items were recessed from the November 4, 1992 Finance Committee.

**Departments:** Chief Administrative Officer (CAO)

**Items:** File 172-92-15, a proposed ordinance, contains the following provisions:

- (1) Approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate (including certain indemnities and the release of the seller contained therein);
- (2) Approving and authorizing (a) an assignment of purchase for sale of real estate; (b) a facilities lease (including certain indemnities contained therein); (c) a trust agreement (including certain indemnities contained therein); and (d) an official statement;
- (3) Authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco Certificates of Participation (1660 Mission Street Project) Series 1993;
- (4) Authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval;
- (5) Authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the Certificates of Participation; and
- (6) Adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property.

File 97-92-61 is a proposed ordinance amending the San Francisco Administrative Code by adding Chapter 10F thereof to establish a surcharge on plan, permit, environmental review, and related fees to recover costs for acquiring office space at 1660 Mission Street.

**Location:** 1660 Mission Street

**Purpose of Purchase:** To purchase a building as a location for a "One Stop Permit Shop" for building permits, i.e., to consolidate Bureau of Building Inspection, Planning Department, and Fire Department permit processes at a single location.

**Seller:** Paul B. Andrew, bankruptcy trustee appointed by the court to oversee the asset

**Developer:** The Derringer Group

**No. of Sq. Ft.:** 97,536 gross square feet; 66,987 net rentable square feet

**Total Cost:** \$5,700,000  
(\$85.09 per net rentable square foot; however, see Comment 11 regarding an additional cost of \$3.5 million for tenant improvements)

**Source of Funds:** Surcharge on plan, permit, environmental review, and related fees, collected by various departments, to support debt service for Certificates of Participation

**Description:** Currently, persons or companies wishing to build or remodel in San Francisco must visit up to four locations to receive permit approval: City-owned 450 McAllister, which houses the Department of City Planning, the DPW Bureau of Building Inspection, and certain Fire Department employees with permit responsibility; City Hall, which houses the DPW Division of Surveys and Maps; leased space at 524 Golden Gate, which houses employees of the Bureau of Building Inspection responsible for Plumbing and Electrical Permits; and leased space at Fox Plaza, which houses the code enforcement portion of the DPW Bureau of Building Inspection.

The proposed ordinance would support the purchase of 1660 Mission Street, an office building containing 66,987 rentable square feet of unfinished space, at a cost of approximately \$5.7 million. The building would be used to establish a "One Stop Permit Shop" (i.e., to consolidate Bureau of Building Inspection, Planning Department, and Fire Department

permit processes at a single location instead of in the four current locations). 1660 Mission Street was completed to core and shell condition in mid-1991 and is a six-story steel frame office building with a one level subterranean garage. Included in the purchase price of this building is an adjacent vacant lot containing approximately 5,080 square feet, which will be used for parking.

The proposed purchase of 1660 Mission Street is to be financed with Series 1993 Certificates of Participation. Certificates of Participation are proportionate interests in the lease-purchase of property, which are sold to investors. The investors would receive a return on their investment through the lease payments made by the City. The City would assign its rights under the Purchase and Sale Agreement to a trustee, who would issue the Certificates of Participation. The City would then be obligated to make lease payments to the trustee to repay the holders of the Certificates of Participation.

To support these Certificates of Participation, the CAO proposes to implement a surcharge on the following categories of fees:

- (a) Plan Review Fees;
- (b) Building Code Fees;
- (c) Public Works fees;
- (d) Planning Code fees;
- (e) Administrative Code fees.

All of these fees would be increased, through a surcharge, as follows:

- (1) 3 percent for the period commencing July 1, 1993 through June 30, 1995;
- (2) a total of 4.5 percent for the period commencing July 1, 1995 through June 30, 2000; and
- (3) a total of 6.5 percent for the period commencing July 1, 2000 through June 30, 2005.

Effective July 1, 2005, the surcharge would expire.

The exact amount of the increase in fees, representing a surcharge, would vary depending on the size and complexity of the project. Mr. Larry Litchfield of the Bureau of Building Inspection reports. Based on estimated average sizes for small, medium and large jobs, Mr. Don McConlogue of the BBI reports that this surcharge would result in the following dollar costs:



(1) 53 percent of permits consist of small residential projects, with an average value of \$5,800. Such projects would result in a surcharge of \$4.53 in the first period; \$6.80 in the second period; and \$9.82 in the third period;

(2) 42 percent of permits consist of medium sized residential or commercial projects, with an average value of \$47,000. Such projects would result in a surcharge of \$42.83 in the first period; \$64.25 in the second period; and \$92.80 in the third period;

(3) .1 percent of permits consist of large commercial projects, with an average value of \$402,000. Such a project would result in a surcharge of \$198.88 in the first period, \$298.32 in the second period; and \$430.90 in the third period.

Mr. McConlogue reports that the remaining approximately 5 percent of permits include miscellaneous projects whose fees are consistent with the fees noted above.

Fees are based on the valuation of a construction project, Mr. McConlogue advises. According to Mr. Fred Weiner of the CAO's Office, these surcharges are structured so as to result in revenues equal to the total debt service over the financing period, including the purchase price of the building, at \$5.7 million, and tenant improvements, at \$3.5 million, for a total of \$9.2 million plus financing costs of approximately \$1.87 million, for a total of \$11.07 million plus interest.

**Comments:**

1. According to Mr. Litchfield, 1660 Mission includes six floors, which would be used as follows:

*First Floor:*

to include 95 parking spaces, to be made available for public parking; and public information booths where seven employees would provide information regarding the status of an application, code interpretations, zoning and Fire Code information, etc.

*Second Floor:*

to include the permit center and the construction services center.

*Third and Fourth Floor:*

to include the building, electrical, plumbing, housing and code enforcement sections, including all inspectors.

*Fifth Floor:*

to include the administrative offices for the various applicable departments.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

*Sixth Floor:*

to include offices for agency heads, Planning Commission meeting rooms, employee meeting rooms, other meeting room space, and an employee lunch room. (Note: The Budget Analyst questions the necessity of a lunch room.)

2. Mr. Weiner advises that approximately 300 employees, now occupying the four different locations noted in the description above, would relocate to 1660 Mission Street. According to Mr. DeLucchi, Director of Property, 450 McAllister consists of approximately 40,000 square foot, while the remaining three locations consist of approximately 8,300 square feet, for a total of 48,300 square feet. 1660 Mission Street contains 66,987 rentable square feet, representing an increase of 18,687 square feet, or approximately 39 percent. Each employee would occupy an average of 223 square feet, including a portion of public meeting rooms and interview rooms, whereas presently each employee occupies an average of 146 square feet. Mr. DeLucchi advises that current conditions are overcrowded, and that the new space would also include meeting and interview rooms not currently in place.

3. Mr. Litchfield anticipates a 20 percent improvement in efficiency as a result of the proposed "One Stop Permit Shop." This 20 percent improvement in efficiency is based on the experiences of Phoenix, Arizona, and San Diego, California, where the consolidation of permit processing has resulted in a 20 percent reduction in permit processing time. However, there is no documentation as to the percentage of efficiency that would be achieved in San Francisco. Mr. Litchfield advises that, based on meetings with permit applicants, most permit applicants who have been in contact with the departments have indicated a willingness to pay increased fees in exchange for reduced permit processing time. However, there is no documentation as to whether such applicants, who have been in contact with the various departments, are representative of all of the applicants on an annual basis. Currently, permit processing time takes from one day for small remodeling projects, such as kitchen remodeling, reroofing, or window replacement, to 90 days for large construction projects.

4. Mr. Litchfield advises that because of the increased efficiency, the various departments would be able to process a larger number of permits in the proposed new building with the same number of employees. Therefore, the proposed new building would accommodate any growth in permit requests in future years, Mr. Litchfield reports.

5. According to Mr. Litchfield, if the proposed "One Stop Permit Shop" is established at 1660 Mission, the permit application process would be restructured. Instead of applicants submitting applications in writing which are later reviewed by permit processors, applicants would meet with permit processors to review applications in person. This new process is anticipated to result in substantial increased efficiencies beyond the anticipated 20 percent increased efficiency noted above, Mr. Litchfield reports.

6. Mr. Litchfield reports that, in accordance with a 1989 recommendation by the Budget Analyst, permit processing has already been somewhat consolidated into a Construction Services Center at 450 McAllister. The Construction Services Center consists of two City Planning employees, two Fire Department employees, and two Surveys and Mapping employees who provide information to the public. Mr. Litchfield advises that this consolidation has resulted in the ability to issue permits over the counter for small residential improvement projects. However, due to space limitations at 450 McAllister, most employees who carry out permit processing functions are located on a number of different floors. As of the writing of this report, the Budget Analyst has not been provided with any documentation regarding increased efficiency as a result of the Construction Services Center.

7. According to Mr. Weiner, savings from terminating the lease at 524 Golden Gate and at Fox Plaza would total approximately \$128,868 per year, including \$46,068 for Fox Plaza and \$82,800 at 524 Golden Gate. Mr. Weiner advises that these leases will terminate prior to the proposed occupation of 1660 Mission Street. Future additional rental costs would be avoided when the employees were moved to 1660 Mission Street from the City-owned 450 McAllister, because this would enable City Hall employees to relocate to 450 McAllister during seismic renovations at City Hall, instead of relocating to rented spaces, Mr. Litchfield advises.

8. Mr. Weiner reports that the CAO had previously considered constructing a new building on the City-owned 450 McAllister site and adjoining lots. However, Mr. Weiner advises that the cost of constructing a new building at that site would be approximately \$60 to \$70 million. That site is now proposed as a possible location for a new courthouse, to be funded from the Courthouse Construction Fund, Ms. Kate Harrison of the Superior Court advises.

9. Mr. Litchfield reports that several alternative locations were investigated for possible rental rather than purchase, including the Coca Cola Building on 11th Street, 614 Van Ness at Golden Gate. However, these buildings would be costly to rent. In addition, these buildings are not seismically sound or handicapped accessible, and would therefore require substantial improvements, Mr. Litchfield reports. According to Mr. DeLucchi, 1660 Mission Street was constructed in accordance with the seismic safety standards as set forth in the 1979 Uniform Building Code, as mandated by the Board of Supervisors in January, 1984. The building is also handicapped accessible, in accordance with Title 24 of the State Code.

10. According to Mr. DeLucchi, construction on 1660 Mission began four years ago. One year ago, after the Darringer Group declared bankruptcy, the building came into the jurisdiction of the bankruptcy court. The City has negotiated to pay \$5,700,000 for 1660 Mission, less outstanding fees owed to the City in the amount of \$455,000 for affordable housing. These fees would be paid by the City from an escrow account. The seller would receive the remaining \$5,245,000.

11. If the proposed ordinance is approved, Mr. Litchfield anticipates that tenant improvements would be completed and the building could be occupied by January 1, 1994. Such tenant improvements would cost approximately \$3.5 million. The estimated \$3.5 million in tenant improvements would be in addition to the proposed purchase price of \$5.7 million, for a total acquisition price for 1660 Mission Street of \$9.2 million, which would be paid from the Certificates of Participation plus interest. Tenant improvements consist of constructing walls, partitions, installing heat, ventilation, and air conditioning, carpeting, etc. Moving costs are included in the budget for tenant improvements, Mr. Weiner reports. The funds for these tenant improvements would come from the sale of the Certificates of Participation noted above, which would be repaid from the fee surcharges.

12. According to Mr. DeLucchi, tenant improvements would need to be completed at any facility occupied by the City. The cost of such improvements would vary based on the negotiations with the seller or renter, according to Mr. DeLucchi.

13. Mr. DeLucchi advises that the cost to the City of constructing a new building comparable to the present 1660 Mission Street building is estimated to be approximately \$11,803,900, (including approximately \$10,725,000 (based on

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



\$110 per gross square foot times approximately 97,500 square feet) for the building alone, plus approximately \$1,078,800 for the land (based on \$60 per square foot times 17,980 total square feet of land)) or over twice the cost of the proposed acquisition of 1660 Mission Street for \$5,700,000. Tenant improvements, which are budgeted for 1660 Mission at approximately \$3.5 million in addition to the purchase price, would be in addition to construction and land costs for a new building. Therefore, the estimated cost of constructing a new building is approximately \$15,303,900 plus interest (assuming that tenant improvement costs for a new building would be \$3.5 million), or approximately \$6,103,900, or 66 percent more than purchasing 1660 Mission Street, which is estimated to cost \$9.2 million, including tenant improvements. Financing costs for this new building would be higher than comparable costs to acquire 1660 Mission because the total Certificates of Participation issue would be higher. Mr. Weiner advises that the Derringer Group and related financing institutions invested approximately \$17 million in the construction of 1660 Mission Street.

14. Mr. Litchfield advises that the City's permit processing procedures are anticipated to be improved because a new employee with inter-departmental authority is being hired to coordinate permit processing. A new classification for this position has been approved by the Civil Service Commission and has been included in the FY 1992-93 budget. The new position will also be the person responsible for coordinating the Construction Services Center. If the proposed ordinance is approved, this new position would be instrumental in laying out and formalizing the permit processing plans at 1660 Mission Street, Mr. Litchfield reports.

15. The Budget Analyst notes that the departments have no documentation supporting anticipated increased efficiency or reduced rental costs. Therefore, the Budget Analyst recommends that, if the Board of Supervisors approves this proposed ordinance, the various departments be required to present an annual report to the Board of Supervisors documenting increased efficiency, reduced rental costs, and any other relevant information as a result of the proposed building purchase.

16. According to Mr. Weiner, the CAO anticipates introducing an Amendment of the Whole for the proposed ordinance (File 172-92-15) that would allow the CAO to negotiate the sale of the Certificates of Participation to an underwriter, if such a negotiation would be in the best interests of the City. However, the CAO currently anticipates


**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



competitively bidding the Certificates of Participation unless the market changes significantly over the next few months.

**Recommendations:** (1) Amend the proposed ordinance to require annual reports documenting improvements in efficiency, reduced rental costs, and any other relevant information as a result of the proposed building purchase. (File 172-92-15)

(2) Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

  
for Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Ted Lakey



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NOVEMBER 5, 1992

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NOTICE OF CANCELLED MEETING

FINANCE COMMITTEE

Calendar

NOTICE IS HEREBY GIVEN that due to the Veteran's Day holiday, the regularly scheduled meeting of the Finance Committee for Wednesday, November 11, 1992, at 2:00 p.m., has been cancelled.

*John L. Taylor*

JOHN L. TAYLOR  
Clerk of the Board

POSTED: NOVEMBER 5, 1992



NOV 17 1992

SAN FRANCISCO  
PUBLIC LIBRARYCALENDARMEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, NOVEMBER 18, 1992 - 2:00 P.M.

LEGISLATIVE CHAMBER  
2ND FLOOR, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
  - (a) File 101-90-36.2. [Release of Funds] Requesting release of reserved funds, Department of Parking and Traffic, in an amount totalling \$525,148 (\$28,671 to City Planning Department for environmental review costs and \$496,477 for identified hazardous waste clean-up costs) at the new San Francisco General Hospital parking garage. (Department of Parking and Traffic)  
(Cont'd from 11/4/92)
  - (b) File 133-92-2.2. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer/Solid Waste Management Program, in an amount totalling \$17,000, for graphic design services for three projects, contractors Maria Wang Design Studios, Katherine Loh Graphic Design and Vinh Chung, (\$7,000 for updating office paper guide, \$5,000 for design and printing of a Buy-Recycled Guide" and \$5,000 for development of a waste minimization technical assistance packet for non-residential generators). (CAO/Solid Waste Management Program)
  - (c) File 101-89-34.8. [Release of Funds] Requesting release of reserved funds, Public Library, in the amount of \$55,623, for the Chinatown Branch Library Design Funds. (Public Library)
  - (d) File 101-89-34.9. [Release of Funds] Requesting release of reserved funds, Public Library, in the amount of \$63,000, for the Mission Branch Library Design Funds. (Public Library)



- (e) File 101-90-121.2. [Release of Funds] Requesting release of reserved funds, Water Department/1991 Series-A Revenue Bond, in the of amount 2.6 million, for water main replacements. (Water Department)
- (f) File 94-91-4.5. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, in the amount of \$533,605, for project administration, indirect cost and equipment purchases. (Public Utilities Commission)
- (g) File 146-92-57.1. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a continuing grant of \$6,029,444, which includes indirect costs in the amount of \$429,170 based on twenty percent of personnel costs, from the Department of Health and Human Services, Centers for Disease Control, to continue funding the AIDS Prevention Project. (Department of Public Health)
- (h) File 146-92-72. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a supplemental grant in the amount of \$77,239, which includes indirect costs of \$7,317 based on twenty percent of personnel costs, from the Department of Health and Human Services, Centers for Disease Control, to augment a continuation the AIDS Surveillance Project. (Department of Public Health)
- (i) File 148-92-8. [Grant – Federal Funds] Resolution authorizing Director of Public Works to apply for, accept and expend Federal funds in the amount of \$182,552 for the planting of trees using small local businesses as contractors. (Department of Public Works)
- (j) File 25-92-33. [Contract] Resolution concurring with the Controller's certification that Coordinator and Mentor Services for the Independent Living Skills Project can be practically performed at the Department of Social Services by private contractor for lower cost than similar work services performed by City and County employees. (Department of Social Services)
- (k) File 143-92-5. [Office of Criminal Justice Planning Funding] Resolution authorizing the Chief of Police of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$110,000 made available through the Office of Criminal Justice Planning for a project entitled "Crime Prevention Expansion Project, Mission Corridor"; and agreeing to provide cash match in the amount of \$12,222 dollars. (Police Commission)
- (l) File 146-92-39.1. [Grant – State Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, to accept and expend a grant of \$42,402 from the State Department of Health Services; for an augmentation of immunization services; waiving indirect costs. (Department of Public Health)
- (m) File 146-92-40.1. [Grant – State Funds] Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services, to accept and expend a grant of \$283,000 which includes indirect costs in the amount of \$14,150 based on five percent of the total award from the State Department of Mental Health Services; for consultation, education and information services to San Francisco residents; providing for ratification of action previously taken. (Department of Public Health)

- (n) File 146-92-54. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Special Programs for Youth, to retroactively apply for, accept and expend a grant of \$66,774 which includes indirect costs in the amount of \$11,070 based on twenty percent of salaries from the American Foundation for AIDS Research, to investigate the epidemiology of high risk adolescents in San Francisco; providing for ratification of action already taken. (Department of Public Health)
- (o) File 146-92-61.1. [Grant – State Funds] Resolution authorizing the Department of Public Health, to accept and expend a grant allocation of \$10,782,909, for Fiscal Year 1992-93 funding from State Department of Health Services for California Healthcare for Indigents Program (CHIP) funds, for medical services to indigent persons, professional services, medical services contracts, materials and supplies, facilities rental, personal services, and indirect costs in the amount of \$152,841 based on 1.658646 percent of County Hospital and other Health Services CHIP allocations. (Department of Public Health)

ACTION:

#### REGULAR CALENDAR

2. File 188-92-1. Hearing to consider the fiscal impact of the 1987 contracts with Pacific Gas and Electric and the Modesto and Turlock Irrigation Districts for the purchase and sale of Hetch Hetchy water. (Supervisor Migden)  
(Cont'd from 11/4/92)

ACTION:

3. File 100-92-9. Hearing to consider the City's efforts to secure anticipated revenues and fund transfers needed to balance the 1992-93 fiscal year budget for the City and County of San Francisco. (Supervisor Gonzalez)  
(Cont'd from 11/4/92)

ACTION:

4. File 198-92-3. [Municipal Court Commissioner] Resolution authorizing the appointment of a commissioner for the San Francisco Municipal Court and assuming all costs as required by State law. (Supervisor Migden)

ACTION:

5. File 195-92-1.1. Hearing to consider a long-range plan to alleviate jail overcrowding. (Supervisor Migden)

ACTION:

6. File 101-92-8. [Government Funding] Ordinance appropriating \$220,624, Mayor's Office of Community Development, for professional special service contracts (Dispute Resolution Program), permanent salaries. (Supervisor Hallinan)

ACTION:

7. File 118-92-8. [Medical Waste Generator Procedures, Fees] Ordinance amending Health Code by adding Article 25, Sections 1401 through 1413, to provide a program for enforcement of the California Medical Waste Management Act and for registration, permitting, inspections and administrative fees for medical waste generators, treatment and storage facilities. (Supervisor Alioto)

ACTION:

8. File 260-92-1. [Removal of Funds from Bank of America] Resolution urging the transfer of two city remittance banking accounts from the Bank of America, urging the transfer of City revolving banking accounts from the Bank of America, urging that Bank of America not be used for the City's proposed direct payroll deposit program, and urging all officers and employees of the City and County when given the opportunity to utilize the services of a financial institution for the City to consider the use of financial institutions other than the Bank of America. (Supervisor Achtenberg)

ACTION:

9. File 97-92-61. [Fee Surcharges] Ordinance amending Administrative Code by adding Chapter 10F, to establish a surcharge on plan, permit, environmental review, and related fees to recover costs for acquiring office space at 1660 Mission Street; companion measure to File 172-92-15. (Chief Administrative Officer)  
(Cont'd from 11/9/92)

ACTION:

10. File 172-92-15. [Project Lease] Ordinance approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate (including certain indemnities and the release of the seller contained therein), an assignment of agreement of purchase and sale for real estate, a facilities lease (including certain indemnities contained therein), a trust agreement (including certain indemnities contained therein), and an official statement; authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco certificates of participation (1660 Mission Street Project) Series 1993; authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval; authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the certificates of participation; and adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property; companion measure to File 97-92-61. (Chief Administrative Officer)  
(Cont'd from 11/9/92)

ACTION:

11. File 79-92-3. [Federal Funding – Community Development] Resolution approving the 1993 Community Development Program, authorizing the Mayor on behalf of the City and County of San Francisco to apply for, receive, and expend the City's 1993 Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing and Urban Development; transfer and expend reprogrammed funds from prior year Community Development Programs and program income generated by the San Francisco Redevelopment Agency up to \$21,708,373, which includes indirect costs of \$80,000; approving expenditure schedules for recipient departments and agencies and for indirect costs, and determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1993 CDBG entitlement funds in excess of \$21,708,373. (Mayor)

ACTION:

12. File 38-92-25. [Gift Acceptance] Resolution accepting one gift valued at \$5,480, from Wells Fargo Bank, for publication of the Recreation and Park Department Summer Activities Brochure. (Recreation and Park Department)  
(Cont'd from 11/4/92)

ACTION:

13. File 64-92-25. [Extension of Existing Real Property Lease] Resolution authorizing exercise of an option to extend the existing lease of Pier 70 from the Port of San Francisco for use by the Police Department. (Real Estate Department)

ACTION:

14. File 64-92-26. [Lease of Real Property] Resolution authorizing a new lease of real property at 25 Taylor Street, Rooms 612 and 614, for Department of Public Health. (Real Estate Department)

ACTION:

15. File 100-92-1.4. [Release of Funds] Requesting release of reserved funds, Mayor's Office of Children, Youth & Their Families, in the amount of \$3,275,126, contractual services. (Mayor's Office of Children, Youth & Their Families)

ACTION:

16. File 101-92-9. [Government Funding] Ordinance appropriating \$5,100, Art Commission, for other services (police security). RO #92089 (Controller)

ACTION:

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
ROOM 235, CITY HALL  
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**IMPORTANT  
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OF SAN FRANCISCO *ATTN: Gerry Roth*

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

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November 16, 1992

**TO:** Finance Committee  
**FROM:** Budget Analyst *Recommendations*  
**SUBJECT:** November 18, 1992 Finance Committee Meeting

Item 1a - File 101-90-36.2

**Note:** This item was continued by the Finance Committee at its meeting of November 4, 1992.

**Department:** Department of Parking and Traffic

**Item:** Release of reserve for the new San Francisco General Hospital parking garage.

**Amount:** \$525,148

**Source of Funds:** Off-Street Parking Funds

**Description:** The Board of Supervisors previously approved legislation authorizing a supplemental appropriation in the amount of \$1,000,000, for the Department of Parking and Traffic, to be used to pay for hazardous waste removal and environmental review fees in connection with the proposed new San Francisco General Hospital Garage. At the same time, the Board of Supervisors placed the entire \$1,000,000 on reserve pending the Department of Parking and Traffic's selection of contractors and determination of hours, hourly rates and the MBE/WBE status of the contractors (File 101-90-36). Of the \$1,000,000, \$474,852 has previously been released from reserve, leaving a balance of \$525,148 still on reserve. The

\$474,852 previously released from reserve was used to pay for contract services for the performance of the Environmental Impact Review (\$162,850) and for contract services for the provision of hazardous waste removal (\$312,002).

The Department of Parking and Traffic is now requesting that the remaining balance of \$525,148 be released from reserve. The Department of Parking and Traffic reports that \$28,671 of the \$525,148 would be used to pay for the City Planning Department's environmental review costs and the remaining \$496,477 would be used to pay for additional contract services for the provision of hazardous waste removal.

The Department of Public Health (DPH), Bureau of Toxic, Health and Safety Services is responsible for the management of the clean up of the toxic waste materials at the parking garage site. Ms. Pam Hollis of the Bureau of Toxic, Health and Safety Services reports that the Department has contracted with Harding Lawson Associates to provide the necessary hazardous waste removal services. According to Ms. Hollis this firm has an on-going contract with the PUC to provide similar services and was selected because the project could proceed more expeditiously, without a break in service, and operate more efficiently due to the firm's familiarity with the project site and with City operations. Harding Lawson Associates is neither an MBE or WBE firm. The contract with Harding Lawson Associates is in the amount of \$519,963 as detailed below:

Labor

Principal Engineer (104 hrs. @ \$41.19/hr.)	\$4,284
Associate Engineer (348 hrs. @ \$33.16/hr.)	11,540
Associate Engineer (96 hrs. @ \$34.10/hr.)	3,273
Project Engineer (613 hrs. @ \$21.24/hr.)	13,020
Project Engineer (80 hrs. @ \$24.75/hr.)	1,980
Senior Engineer (42 hrs. @ \$25.82/hr.)	1,084
Project Coordinator (84 hrs. @ \$18.78/hr.)	1,578
Senior Field Technician (224 hrs. @ \$18.21/hr.)	4,079
Field Technician (185 hrs. @ \$13.27/hr.)	2,455
Field Operation Manager (40 hrs. @ \$21.10/hr.)	844
Field Operation Manager (100 hrs. @ \$21.00/hr.)	2,100
Technical Editor (2 hrs. @ \$18.06/hr.)	36
Drafting (84 hrs. @ \$18.96/hr.)	1,593

Administration (8 hrs. @ \$19.00/hr.)	\$152	
Staff (240 hrs. @ \$17.60/hr.)	4,224	
Word Processing (6 hrs. @ \$14.24/hr.)	85	
Word Processing (183 hrs. @ 11.56/hr)	2,115	
Word Processing (8 hrs. @ 10.00/hr.)	80	
Clerical (83 hrs. @ \$9.83/hr.)	<u>816</u>	
Subtotal		\$55,338

<u>Operating Expenses</u>		
Services and Equipment	\$18,597	
Materials and Supplies	113,041	
Indirect Costs	191,853	
Contingency	<u>40,139</u>	
Subtotal		363,630

<u>Subcontracts</u>		<u>100,995</u>
Total		\$519,963

**Comments:**

1. As noted above, the Contract services are estimated to cost \$519,963, which is \$23,486 more than the \$496,477 available on reserve for these services after reducing the total \$525,148 funds available by \$28,671 for the Planning Department. Mr. Kevin Hagerty of the Department of Parking and Traffic reports that a supplemental appropriation request has been submitted to the Mayor's Office, which would provide for the \$23,486 balance needed to cover the cost of the contract services. The source of funds for this supplemental appropriation is the Off-Street Parking Funds.

2. The City Planning Department reports that the environmental review costs are based on a fee schedule. The level of fee charged is determined by the total amount of the project construction costs.

3. Ms. Hollis reports that Harding Lawson Associates has thus far selected HEW Drilling Company, a registered MBE firm, to provide a portion of the necessary subcontract services for this project. HEW Drilling Company's subcontract is in the amount of \$19,105. Ms. Hollis advises that Harding Lawson Associates has stated that they are committed to subcontracting with MBE and/or WBE firms for the entire \$100,995, which has been earmarked for subcontract services.

4. According to Ms. Hollis, the removal of hazardous waste from this project site is now estimated by DPH to cost approximately \$1.8 million or approximately \$800,000 more than the original projection of \$1,000,000. Ms. Hollis advises that the original estimate was made prior to the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

commencement of any analysis or work on the project and that subsequent analysis and investigation of the site has uncovered substantially more hazardous waste contamination than originally anticipated. Ms. Hollis states that it will be necessary for the Department of Parking and Traffic to submit a supplemental appropriation at a later date to pay for these unanticipated costs.

**Recommendation:** Approve the release of reserve funds in the amount of \$525,148.

Item 1b - File 133-92-2.2

**Department:** Chief Administrative Officer (CAO)  
Solid Waste Management Program

**Item:** Release of reserve funds for graphic design services for three projects.

**Amount:** \$17,000

**Source of Funds:** Refuse Collection and Disposal Fees Impound Account

**Description:** During its review of the Solid Waste Management Program's FY 1992-93 budget, the Board of Supervisors placed \$519,000 for professional services on reserve pending information regarding identification of the service providers, estimated hours of service, hourly rates and MBE/WBE status. The Finance Committee has previously approved the release of \$15,000 of the \$519,000, leaving a balance of \$504,000 still on reserve. The CAO is now requesting that an additional \$17,000 be released from reserve to be used for the provision of graphic design services for the Solid Waste Management Program.

The Solid Waste Management Program reports that the \$17,000 would be expended as follows: (1) \$7,000 would fund services provided by Maria Wang Design Studios, to update the fourteen page step-by-step guide on setting up a office paper recycling program, (2) \$5,000 would fund services provided by Katherine Loh Graphic Design to design and print a "Buy-Recycled Guide" and (3) \$5,000 would fund services provided by Vinh Chung Graphic Design to develop a waste minimization technical assistance packet for non-residential generators. The estimated hours of service as well as the hourly rates charged by the three firms are as follows:

	<u>Contract</u> <u>Amount</u>
<u>Maria Wang Design Studios</u>	
Principal Designer (35 hrs. @ \$50/hr.)	\$1,750
Associate Designer (35 hrs. @ \$50/hr.)	1,750
Production Artist (40 hrs. @ \$40/hr.)	1,600
Computer Production (47.5 hrs. @ \$40/hr.)	<u>1,900</u>
Subtotal	\$7,000



Katherine Loh Graphic Design

Graphic Design Services (40 hrs. @ \$50/hr.)	\$2,000
Translation - Asian and Baltic (25 hrs. @ \$50/hr.)	1,250
Typesetting (30 hrs. @ \$40/hr.)	1,200
Production Services (36 hrs. @ \$15/hr.)	<u>540</u>
Subtotal	4,990

Vinh Chung Graphic Design

Design (40 hrs. @ \$50/hr.)	\$2,000
Translation - Spanish (40 hrs. @ \$25/hr.)	1,000
Typesetting (20 hrs. @ \$50/hr.)	1,000
Illustration (18 hrs. @ \$55/hr.)	<u>990</u>
Subtotal	4,990
Total	\$16,980

The Solid Waste Management Program advises that the above noted graphic designers were selected as the most qualified contractors after the evaluation of work samples and interviews with a large pool of graphic designers in San Francisco. According to the Department, this process involved contacting approximately 20 firms listed with the Human Rights Commission and, in turn, meeting with ten of these firms to review work samples and to discuss their capabilities. Maria Wang Design Studios and Katherine Loh Graphic Design are certified as both MBE and WBE firms and Vinh Chung Graphic Design is a certified MBE firm.

**Comment:** As noted above, the total amount required for the three graphic design contracts is \$16,980 or \$20 less than the \$17,000 requested.

**Recommendation:** Approve the proposed release of reserve funds in the amount of \$16,980.

Item 1c and 1d - Files 101-89-34.8 and 101-89-34.9

**Department:** Public Library

**Items:** Request to release reserved funds.

**Amount:** 101-89-34.8 \$55,623--Chinatown Branch Library Design  
101-89-34.9 \$63,000-- Mission Branch Library Design

**Source of Funds:** 1988 Public Library Facilities System Improvement Bonds

**Description:** In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance for \$11,366,423 to fund various capital improvement projects for the Main Library and the Branch Libraries and placed \$3,940,277 on reserve. \$3,263,255 of that \$3,940,277 was earmarked for the Bureau of Architecture to provide architectural services to the Branch Libraries. \$175,000 of that \$3,940,277 was to provide design services. The Board of Supervisors placed the \$175,000 on reserve pending detailed budget information regarding the level and type of staff services to be provided on the projects. These two requests would comprise \$118,623 (\$55,623 plus \$63,000) of the \$175,000 on reserve and would fund design services for the Chinatown and Mission Branch Libraries.

The Bureau of Architecture has provided the following budgets for these two projects:

Chinatown Branch Library

<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Architect	270	\$71	\$19,170
Architectural			
Assoc. (2)	275	69	18,975
Architectural Assist.	271	35	9,485
Clerical	64	37	2,368
Contingency			<u>5,625</u>
Total			\$55,623

Mission Branch Library

<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Architect	300	\$71	\$21,300
Architectural			
Assoc. (2)	300	69	20,700
Architectural Assist.	300	35	10,500
Clerical	90	37	3,330
Contingency			<u>7,170</u>
Total			\$63,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
November 18, 1992

**Recommendation:** Release the requested \$55,623 (File 101-89-34.8).

Release the requested \$63,000 (File 101-89-34.9)

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Item 1e - File 101-90-121.2

**Department:** Water

**Item:** Release of reserved funds for continuing the program of replacing water pipe connections (service) from the City's water mains to water customers' water meters.

**Amount:** \$2.6 million

**Source of Funds:** Water Department 1991 Series A Revenue Bonds

**Description:** On June 26, 1991, the Board of Supervisors approved a resolution (file 101-90-121) appropriating \$47,925,000 from Water Department 1991 Series A Revenue Bonds for the following projects:

<u>Main Replacement Project</u>	\$ 19,125,000
<u>Service Renewals Project</u>	2,500,000
Calaveras Pipeline	11,300,000
San Andreas Pipeline No. 3 Relining	<u>15,000,000</u>
Total	\$47,925,000

Of the \$19,125,000 appropriated for the Main Replacement Project, \$3,500,000 was reserved pending the Water Department identifying the contractors to be used to replace the water mains and their MBE/WBE status. Instead, the Department requests that \$2.6 million of the Main Replacement Project reserve be released and be used to continue the Service Renewal Project because the \$2.5 million originally appropriated for the Service Renewal Project has been expended. This work is performed by Water Department personnel.

**Comments:** 1. The Service Renewal Project has been part of a continuing Water Department program in conjunction with the Main Replacement Project. A "service" is the small diameter pipe that is installed from the water main in the street to the meter located near the customer's property line. Initially, the Service Renewal Project concentrated on replacing old services containing lead pipe or fittings because of public health concerns. More recently, galvanized iron pipe services are being replaced because they are subject to corrosion, and some old plastic pipe services are being replaced because they are subject to cracks and leaks.

2. The original \$2.5 million appropriated for the Service Renewal Project work provided for the renewal of approximately 1,700 services to Water Department customers

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





over a year. The requested additional \$2.6 million that would come from the proposed release of reserve of Main Replacement Project monies would provide for the renewal of an estimated additional 1,700 services during the year beginning December 1, 1992. The budget for the proposed additional Service Renewal Project work is as follows:

Labor	\$1,950,000
Material and Supplies	300,000
Paving	<u>350,000</u>
Total budget	\$2,600,000

3. Mr. John Madden of the Controller's Office indicates that the use of funds from the Main Replacement Project for the Service Renewal Project does not require any additional legislation.

4. The Water Department's Service Division initiates a service renewal in response to reported problems or as part of the Service Renewal Project by submitting a work order to the Department's City Distribution Division. The City Distribution Division replaces the services with Department crews and material; without the need of plans or specifications.

5. The \$2.6 million is not currently required for the Main Replacement Project because this project is behind schedule. The Water Department is currently preparing a supplemental appropriation request for additional bond fund monies for the Main Replacement Project. The supplemental appropriation request will be made in January, 1993.

6. The Water Department requests the release of \$2.6 million of the \$3.5 million reserved for the Main Replacement Project so that the amount of work accomplished under the Service Renewals Project work can be increased. According to Ms. Michele Witt, Finance Director for the Public Utilities Commission, the remaining \$900,000 on reserve (\$3,500,000 originally reserved less the proposed release of \$2,600,000) will be requested at a future date when the Department is ready to award contracts for the Main Replacement Project.

**Recommendation:** Release the reserve.



Item 1f - File 94-91-4.5

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Release of reserved funds for project administration, indirect cost and equipment purchases.

**Amount:** \$533,605

**Source of Funds:** Federal Urban Mass Transportation Administration (UMTA) Section 9 formula assistance funds.

**Description:** On June 17, 1991, the Board of Supervisors approved Resolution No 529-91 (File 94-91-4) appropriating \$13,815,120 of UMTA Section 9 formula assistance funds and \$3,453,780 from various local match sources totaling \$17,268,900:

<u>Project Description</u>	<u>Federal</u>	<u>Local</u>	<u>Total</u>
Fixed-Facility Rehabilitation	\$6,674,080	\$1,668,520	\$8,342,600
Miscellaneous Equipment	1,144,500	286,125	1,430,625
Non-Revenue Vehicles	729,304	182,326	911,630
Data Processing & Office Equipment	875,164	218,791	1,093,955
24th & Utah Shop Replacement	449,496	112,374	561,870
Trolley Overhead Reconstruction			
Mission Street	3,035,096	758,774	3,793,870
F-Market Streetcar (PCC) Renovation	526,528	131,632	658,160
Trolley Specification	<u>380,952</u>	<u>95,238</u>	<u>476,190</u>
<b>Total</b>	<b>\$13,815,120</b>	<b>\$3,453,780</b>	<b>\$17,268,900</b>

With the approval of Resolution No. 529-91, the Board of Supervisors reserved \$14,093,750 of the \$17,268,900. To date, \$4,611,509 of the \$14,093,750 has been released per four previous requests for release of reserved funds, as follows:

Purchase of Computer Equipment	\$ 94,479*
Streetcar Refurbishment	658,160
Modification to Paint Booth Fans	65,000
14 Mission Trolley Overhead Reconstruction	<u>3,793,870</u>
<b>Total</b>	<b>\$4,611,509</b>

\* PUC was required to submit a report on the actual cost of equipment because the \$94,479 represented an estimated cost for the proposed data processing equipment. This report is still pending.



The subject release of funds totaling \$533,605 would increase the total release of funds from \$4,611,509 to \$5,145,114, leaving a balance of \$8,948,636 on reserve.

The proposed release of reserves totaling \$533,605 would provide for project administration, indirect costs and equipment purchases, as follows:

Administrative Work to be Performed by In-House Staff

Sidewalk and Yard Paving	\$68,184	
Yard Security and Communications	51,977	
System Waste Collection, Identification and Removal	60,234	
BART Wet Standpipes, Phase II	117,554	
Cable Car Channel Construction	<u>68,827</u>	
Subtotal		\$366,776

Equipment Purchase

Yard Security and Communications	27,063
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Consultant Services

System Waste Collection, Identification and Removal	<u>139,766</u>
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Total \$533,605

**Comments**

1. The Budget Analyst has reviewed the funding totals for each of the five projects for which administrative work is to be performed by in-house staff. The funding totals are as follows:

<u>Project Description</u>	<u>In-House Staff Costs</u>	<u>Consultant/Contractual Services</u>	<u>Total</u>
Sidewalk and Yard Paving	\$68,184	\$181,816	\$250,000
Yard Security and Communications	51,977	218,023 *	270,000
System Waste Collection & Removal	60,234	289,766 **	350,000
BART Wet Standpipe Phase II	117,554	1,882,446	2,000,000
Cable Car Channel Construction	<u>68,827</u>	<u>831,173</u>	<u>900,000</u>
Total	\$366,776	\$3,403,224	\$3,770,000

\* includes \$27,063 for equipment purchases (see Comment 2)

\*\* includes \$139,766 for consultant services (see Comment 3)

2. The \$27,063 includes the purchase of 21 portable radios (including carrying case and microphone accessory) at \$1,000 per portable radio, one base unit at \$3,000 and one battery

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





charger at \$1,000 plus sales tax. The equipment will replace the public address system at the Kirkland shop and to support construction work in the subway tunnels.

3. According to Ms. Rosa Rankin of MUNI, the consultant services for the System Waste Collection and Removal Project is to be performed by Clayton Environmental Consultants, which is not a MBE/WBE contractor. However, 5 sub-contractors supporting the work of Clayton Environmental are providing a 30 percent MBE/WBE contribution to the entire consultant contract as follows:

Fuel Oil Polishing (WBE)	10 %
Bendix Environmental (WBE)	5 %
Jordan Associates (MBE)	5 %
E2 Consulting Engineers (MBE)	5 %
HEW Drilling (MBE)	5 %
Total	30 %

4. In reviewing the financial data provided by MUNI's Engineering Division, the Budget Analyst noted that the calculation for the project management of the Sidewalk and Yard Paving Project totaling \$8,511 was double counted in computing the total in-house staff cost of \$68,184. Under these circumstances the in-house staff cost for the Sidewalk and Yard Paving Project should be reduced by a total of \$8,511 from \$68,184 to \$59,673 and the subject release of reserve should be reduced \$8,511 from \$533,605 to \$525,094.

**Recommendation:** Decrease the proposed release of reserves by \$8,511 from \$533,605 to \$525,094 and approve the release of reserves as amended.



Item 1g - File 146-92-57.1

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a continuing grant of \$6,029,444, which includes indirect costs in the amount of \$429,170, based on 20% of personnel costs, excluding fringe benefits, from the Centers for Disease Control, to continue the AIDS Prevention Project.

**Amount of Grant:** \$6,029,444

**Source of Grant:** Centers for Disease Control

**Grant Period:** January 1, 1993 to December 31, 1993

**Project:** AIDS Prevention Project

**Description:** The proposed grant would support a variety of AIDS Prevention Programs. These programs include counseling and testing services, partner notification services, health education and risk reduction services, and public information services. In 1993, additional prevention strategies would be incorporated into the project, including community level interventions, prevention case managements, and limited short and long term follow-up to determine program impact on behavior change.

To implement the AIDS Prevention Project, the AIDS Office monitors contracts, performs program assessments and evaluation studies to determine the need for continued services for each population, as well as providing direct services. Direct services are also provided by non-profit organizations as sub-contractors.

<b>Grant Budget:</b>	<u>Personnel</u>	<u>FTE</u>	
	Prevention Chief	1.00	\$58,834
	Program Coordinator	3.00	153,038
	Project Coordinator	1.25	54,466
	Secretary II	3.50	129,090
	Secretary I	1.00	28,602
	Sr. Clerk Typist	2.50	80,585
	Clerk Typist	3.00	89,718
	Statistician	1.00	38,607
	MIS Specialist III	.25	13,338
	MIS Technician	1.00	26,327

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





Memo to Finance Committee  
November 18, 1992

Management Assistant	1.00	\$46,099	
Jr. Management Assistant	2.80	98,459	
Lab Assistant	1.00	36,254	
Microbiologist	1.50	71,507	
Sr. Disease Control Investigator	1.00	46,768	
Disease Control Investigator	6.50	259,938	
Epidemiologist II	1.00	56,025	
Sr. Health Educator	2.00	110,391	
Health Educator	2.00	97,776	
Asst. Health Educator	3.50	154,207	
Health Prog. Coordinator III	.50	30,127	
Health Prog. Coordinator II	1.00	44,360	
Health Worker IV	2.80	116,308	
Health Worker III	2.70	82,423	
Licensed Vocational Nurse	.50	17,030	
As Needed Nurse		30,276	
Registered Nurse	1.00	51,182	
Medical Social Work Supervisor	1.00	55,195	
Medical Social Worker	1.00	45,216	
Psycho-Social Worker	.50	23,719	
Personnel Subtotal		\$2,145,865	
Fringe Benefits @ 25.6%		<u>550,055</u>	
Total Personnel	50.80		\$2,695,920
<u>Travel</u>			
Local Travel		\$ 9,140	
Out-of-Jurisdiction Travel		<u>22,875</u>	
			32,015
<u>Equipment</u>			
PC Work Stations (3 at 3,140)		\$9,420	
PC Computer		1,500	
Scantron Optical Mark Reader (a device that automatically reads a questionnaire)		<u>12,530</u>	
Total Equipment			23,450
<u>Materials and Supplies</u>			
Non-Inventoried Equipment		\$1,775	
Laboratory supplies		56,000	
Clinical Supplies		9,850	
Education Materials and Supplies		38,210	
Office Supplies		<u>21,753</u>	
			127,588
<u>Operating Expenses</u>			
Rent Support (Clinics)		\$15,000	
Rent Support		130,409	
Telephone/Communications		25,600	
Postage		7,185	

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
November 18, 1992

Delivery/Courier Services	\$12,750
Photocopier Leasing	10,350
Reproduction Costs	13,920
Printing/Slide Production	6,550
Promotions/Advertising	27,600
Staff Training	10,625
Security and Janitorial Svcs at Clinics	12,107
Client Participation Incentive	28,595
Utilities	<u>1,200</u>
	\$301,891

Contractual Services (listed by program and target group) \*

HIV Prevention & Education

Gay/Bisexual Injection	
Drug Users (IDUs) -	
18th Street Services (B)	\$122,901
African-American IDUs - Bayview	
Hunter's Point Foundation (C)	116,750
Evaluation of IDUs - UCSF Urban	
Health Study (D)	428,409
Asian/Pacific Islander community:	
Japanese Community	
Youth Council (E)	40,587
Filipino Task Force on AIDS (F)	40,000
Asian AIDS Project (G)	82,413
Female IDUs/Partners of IDUs -	
Planned Parenthood (J)	30,000
IDUs in the Tenderloin -	
Glide Foundation (K)	10,000
African-American	
gay/bisexual community -	
National Task Force on	
AIDS Prevention (L)	30,000
Latino Community -	
to be determined (M)	92,910
African-American community -	
to be determined (N)	86,602
Latino gay/bisexual community -	
to be determined (O)	30,000
Consultants to develop a video for	
on HIV transmission prevention	
- Youth Guidance Center	
(sole source; not included on	
Attachments A or B)	<u>11,000</u>
Total HIV Prevention and Outreach	\$1,121,572

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



HIV Counseling and Testing

Anonymous HIV

Counseling and Testing Services	
- UCSF AIDS Health Project (A)	\$367,204
Counseling/Testing Training -	
UCSF AIDS Health Project (P)	125,932
IDUs in Bayview/Hunter's Point -	
Bayview Hunter's Point	
Foundation (Q)	102,000
IDUs Citywide - Haight Ashbury	
Free Clinics, Inc. (R)	139,674
IDUs -	
Westside Community Health (S)	158,211
Risk Reduction -	
18th Street Services (T)	77,655
Gay/bisexual Asian/ Pacific Islander community -	
Asian-Pacific Islander	
Coalition on AIDS (H)	60,000
Technical Assistant to minority community based organizations -	
The Support Center (I)	<u>25,000</u>
Total HIV Counseling and Testing	\$1,055,676

HIV Prevention Staffing at San  
Francisco General Hospital (supports  
6.0 FTEs at SFGH, including a Program  
Administrator; an Administrative Assistant;  
a half-time Public Administrative Analyst; a  
Clinical Director of Counseling and  
Testing; a half-time Employee Counselor;  
and two Patient Counselors)

242,162

Total Contractual Services \$2,419,410

Indirect Costs 429,170

TOTAL BUDGET \$6,029,444

\*Capital letters following contractors' names correspond to contractor selection procedures listed on the "1993 AIDS Prevention Project: Summary of Contractual Services," attached (Attachment B). All contractors that are "to be determined" should be reserved pending selection of a contractor and MBE/WBE status of the contractor (see Comment 3).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





**Indirect Costs:** \$429,170 or 20 percent of personnel costs excluding fringe benefits.

**Required Match:** None

**Comments:** 1. The Board of Supervisors previously approved a resolution (File 146-92-57) authorizing the DPH to apply for a continuation grant of \$6.25 million from the Centers for Disease Control, to continue funding the AIDS Prevention Project.

2. The proposed \$6,029,444 in 1993 grant funds is \$69,691, or 1.1 percent less than the \$6,099,135 allocated by the Centers for Disease Control for the AIDS Prevention Project for 1992.

3. Attachment B entitled "1993 AIDS Prevention Project: Summary of Contractual Services" contains capital letters following the names of contractors in the Contractual Services portion of the budget which correspond to the names of contractors on this attachment. The attachment describes the selection procedures for each contractor. All of the contractors for the AIDS Prevention Project are non-profit organizations.

Contracts that are "to be determined" should be reserved pending contractor selection and information regarding the MBE/WBE status of the contractor. Contractors to be determined are as follows:

Latino Community (M)	\$92,910
African-American community (N)	86,602
Latino gay/bisexual community (O)	<u>30,000</u>
TOTAL TO BE DETERMINED	\$209,512

Thus, a total of \$209,512 should be reserved pending selection of contractors and the MBE/WBE status of the contractors.

4. Six contractors were selected as sole source renewals: UCSF AIDS Health Project; Bayview Hunters Point Foundation; Haight Ashbury Free Clinics, Inc.; Westside Community Mental Health; Eighteenth Street Services; and the Youth Guidance Center. According to Mr. Tim Piland of the DPH, the DPH authorizes the selection of sole source contractors in cases where either the contractor is the only organization to provide the service, or where the contractor is the only organization to express an interest in the contract. Such sole source contracts may be in place for three years, Mr. Piland reports. Therefore, according to Mr. Piland, these sole source contracts will be bid competitively after three



years, or in or before 1994 (since these sole source grants are all renewals, and thus would be in their second year).

5. The DPH has received EIPSC approval for the purchase of three PC workstations and one PC.

6. The DPH advises that if grant funding were reduced or terminated, personnel would be reduced or terminated accordingly. The proposed grant would support 50.8 FTEs, plus 6.0 FTEs at San Francisco General Hospital (shown as last item under Contractual Services in budget above).

7. Attachment A is a Summary of Grant Request, as prepared by the DPH, for the proposed supplemental grant.

7. A Disability Access Checklist is included in the file.

**Recommendation** Reserve \$209,512 for contractual services as detailed in Comment 3, above, pending selection of contractors and determination of the MBE/WBE status of the contractors. Approve the proposed resolution as amended.



Item No. 11th Commission - Summary of Grant Request

Rev. 4/10/90

Dept of Health and Human Services

Grantor Centers for Disease ControlDivision CO/AIDS DivContact Person E. Taylor/J. StubbsSection AIDS OfficeAddress 255 East Paces Ferry Road, NEContact Person Tim Piland/Judith WeldAtlanta, GA 30305Telephone 554-9132 554-9044Amount Requested \$ 6,029,444Application Deadline 9/18/92Term: From 1/1/93 To 12/31/93Notification Expected 11/15/92Health Commission 10/20/92

Board of Supervisors: Finance Committee

Full Board

I. Item Description: Request to ~~apply for~~ (accept and expend) a ~~grant~~ (continuation) ~~(allocation)~~ ~~(contract)~~ ~~(grant)~~ grant in the amount of \$6,029,444 from the period of 1/1/93 to 12/31/93 to provide continued funding for AIDS Prevention Project services.

II. Summary: (Concise summary; add additional; include groups served; services and providers)

These funds will continue to support, along with additional state and local funding, a wide array of AIDS prevention programs; these programs include Counseling and Testing services, Partner Notification services, Health Education and Risk Reduction services, and Public Information services. (Please see Executive Summary)

III. Outcomes/Objectives:

To provide AIDS prevention services to residents of San Francisco in order to prevent the transmission of HIV. (Please see Executive Summary)

IV. Effects of Reduction or Termination of These Funds:

The efforts of the AIDS Office to limit the transmission of HIV in San Francisco would be severely impaired if we were not allowed to accept and expend these funds.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Rec. Match	Approved by
Grant Amount	6,032,973	6,099,135	6,029,444	- 69,691	NONE	
Personnel	2,066,590	2,574,965	2,695,920	+120,955		
Equipment	13,810	16,982	23,450	+ 6,468		
Contract Svc.	3,413,269	2,582,671	2,408,410	-174,261		
Mat. & Supp.	56,146	115,206	127,588	+ 12,382		
Facilities/Space	114,288	154,075	145,159	- 8,916		
Other	33,244	246,510	199,747	- 46,763		
Indirect Costs	335,626	408,726	429,170 ✓	+ 20,444		

VI. Data Processing

(Costs included above) 7,000 16,982 23,450 + 6,468

VII. Personnel

F/T CSC 46.00 51.65 50.80 - 0.85

P/T CSC

Contractual

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
None.

Will grant funded employees be retained after this grant terminates? If so, How?  
No.

\*VIII. Contractual Services: Open Bid                      Sole Source                      (If sole source, state reason for award)  
Please see Contract Summary Attachment.





**1993 AIDS PREVENTION PROJECT: Summary of Contractual Services**

**AIDS Office Contracts**

<b>A. UCSF AIDS Health Project</b>		
Anonymous testing services	\$367,204	RFP 088-90 renewal
<b>B. Bayview Hunter's Point Foundation for Eighteenth Street Services</b>		
Outreach to gay/bisexual substance- abusing community	\$122,901	RFP 077-90 renewal
<b>C. Bayview Hunter's Point Foundation</b>		
Outreach to African American substance- abusing community	\$116,750	RFP 077-90 renewal
<b>D. UCSF Urban Health Study</b>		
Outreach evaluation to substance- abusing community	\$428,409	RFP 077-90 renewal
<b>E. Japanese Community Youth Council</b>		
Prevention and education for Asian- Pacific Islander community	\$ 40,587	RFP 105-90 renewal
<b>F. Filipino Task Force on AIDS</b>		
Prevention and education for Filipino community	\$ 40,000	RFP 105-90 renewal
<b>G. Asian American Health Forum for Asian AIDS Project</b>		
Prevention and education for Asian- Pacific Islander community	\$ 82,413	RFP 105-90 renewal
<b>H. Asian American Health Forum for Asian-Pacific Islander Coalition on AIDS</b>		
Prevention and education for Asian- Pacific Islander gay and bisexuals	\$ 60,000	RFP 080-90 renewal
<b>I. The Support Center</b>		
Technical assistance for community- based organizations	\$ 25,000	To augment previously approved sole source contract



<b>J. Planned Parenthood</b>		
Prevention and education for women at risk (IDUs, their partners, sex industry workers, lesbian and bisexual women)	\$ 30,000	RFP 111-91 augmentation
<b>K. Glide Foundation</b>		
Prevention and education via street-outreach to injection drug users	\$ 10,000	RFP 077-90 augmentation
<b>L. National Task Force on AIDS Prevention</b>		
Prevention and education for African American gay and bisexual community	\$ 30,000	RFP 080-90 renewal
<b>M. To Be Determined</b>		
Prevention and education for the Latino community	TBD	Currently out-to-bid
<b>N. To Be Determined</b>		
Prevention and education for the African American community	TBD	Currently out-to-bid
<b>O. To Be Determined</b>		
Prevention and education for Latino gay and bisexual community	TBD	Currently out-to-bid

#### Community Substance Abuse Service Contracts

<b>P. UCSF AIDS Health Project</b>		
Counseling and testing services/training	\$125,932	Sole source renewal
<b>Q. Bayview Hunter's Point Foundation</b>		
Counseling and testing services	\$102,000	Sole source renewal
<b>R. Haight Ashbury Free Clinics, Inc.</b>		
Counseling and testing services	\$139,674	Sole source renewal
<b>S. Westside Community Mental Health</b>		
Counseling and testing services	\$158,211	Sole source renewal
<b>T. Eighteenth Street Services</b>		
Counseling and testing services	\$ 77,655	Sole source renewal



Item 1h - File 146-92-72

**Department:** Department of Public Health (DPH)  
AIDS Office

**Item:** Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a supplemental grant of \$77,239, which includes indirect costs in the amount of \$7,317, based on 20% of salaries, from the Centers for Disease Control, to augment a continuation of the AIDS Surveillance Project.

**Amount of Grant:** \$77,239

**Source of Grant:** Centers for Disease Control

**Grant Period:** January 1, 1993 to December 31, 1993

**Project:** Supplemental Funding to the AIDS Surveillance Project

**Description:** This supplemental funding would allow the AIDS Office to continue the Women's Survey Study in 1993. The Women's Survey study would determine the prevalence of HIV infection in a sample of 250 women who have sex with women in nine Bay Area counties. The study would determine the level of risk behaviors in this population and the associates of this population, and would describe the population's safe sex behaviors.

**No. of Persons  
to be Served:** 250 women

<b>Grant Budget:</b>	<u>Personnel</u>	<u>FTE</u>	
	Sr. Disease Control Investigator	.42	\$17,309
	Disease Control Investigators	.50	<u>19,275</u>
	Subtotal Salaries		\$36,584
	Fringe Benefits (26%)		<u>9,512</u>
	Subtotal Personnel	.92	\$46,096
	<u>Operating Expenses</u>		
	Staff Mileage		150
	Staff Training		876
	Client Participation Incentives (\$50 x 250)		12,500
	Survey Vehicle Rental		
	(Recreational Vehicle to travel to test sites)	4,500	
	Recreational Vehicle Gas and Oil	300	
	Clinical Supplies	1,500	
	Laboratory Supplies	3,300	
	Educational Materials and Supplies	<u>700</u>	
	Subtotal		23,826





<u>Indirect Costs</u>	<u>\$7,317</u>
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Total	\$77,239
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**Indirect Costs:** \$7,317 or 20 percent of salaries

**Required Match:** None

**Comments:**

1. The DPH was not required to apply for this proposed supplemental grant, since it previously applied for 1993 funds from the Centers for Disease Control for the AIDS Surveillance Project.
2. The proposed \$77,239 in supplemental grant funds is 3.5 percent greater than the \$2,179,806 originally allocated by the Centers for Disease Control for the AIDS Surveillance Project for 1993.
3. Attached is a Summary of Grant Request, as prepared by the DPH, for the proposed supplemental grant.
4. A Disability Access Checklist is included in the file.

**Recommendation** Approve the proposed resolution.







Item 1i - File 148-92-8

**Department:** Department of Public Works

**Item:** Resolution authorizing the Director of Public Works to apply for, accept and expend Federal funds in the amount of \$182,552 for the planting of trees, using small local businesses as contractors.

**Grant Amount:** \$182,552

**Grant Period:** October 1, 1992 through September 30, 1993

**Source of Funds:** U.S. Small Business Administration

**Project:** National Small Business Tree Planting Program

**Description:** The Small Business Administration of the U.S. Department of Commerce has allocated Federal funds to the California Department of Forestry and Fire Protection for reforestation projects which utilize small businesses. The California Department of Forestry and Fire Protection is administering the grant funds to local governments.

Under the Public Works code, the Department of Public Works (DPW) is responsible to plan, plant, maintain, and remove trees in any public street. DPW reports that the proposed grant funds of \$182,552 would supplement \$155,680 in DPW's 1992-93 budget for urban forestry activities, in order to fund the following projects:

- Street Tree Replacement  
Approximately 550 trees died during the freeze of December 1990. The proposed grant would fund the replacement of these trees with hardier, drought-tolerant species. These trees would be planted City-wide.
- Sunset Boulevard Reforestation  
DPW reports that of 850 trees planted along Sunset Boulevard approximately 50 years ago, many are of declining vigor. The proposed reforestation project would assist DPW to implement its management program for this 2.3 mile thoroughfare.
- Brotherhood Way Improvements  
DPW reports that the reforestation project would improve the aesthetic character of Brotherhood Way east of Junipero Serra Boulevard by screening the blank walls of





abutting residences and introducing extensive tree groves throughout the right-of-way.

DPW reports that the proposed grant would fund 550 replacement trees City-wide and approximately 2,800 new trees on Sunset Boulevard and Brotherhood Way, for a total of 3,350 trees to be purchased and planted using the proposed grant funds.

Under the terms of the grant program, plant materials must be purchased from at least one small local business, and the overall project must be performed using the services of at least two small local businesses, which are defined as firms having 100 or fewer employees. DPW would be responsible for project planning and design, construction management, and maintenance, using existing budgeted funds (see Project Budget, below).

**Project Budget:**

DPW has provided the following cost summary for the proposed reforestation project:

<u>Activity</u>	<u>Local Funds</u>	<u>Grant Funds</u>
Contractual Services		\$146,042
Maintenance	\$140,680	
Project Planning and Design	7,500	
Construction Management	7,500	
Administrative Fee -- CA Department of Forestry	-----	36,510
Total Project Costs	\$155,680	\$182,552

**Required Match:**

The grant program requires the grantee to provide an in-kind contribution equal to at least 35 percent of the grant amount. San Francisco's proposed grant funding of \$182,552 therefore would require a local match of at least \$63,893.

**Indirect Costs:**

The California Department of Forestry and Fire Protection reports that indirect costs are not allowed. However, the California Department of Forestry and Fire Protection itself imposes an administrative fee of 20 percent for administering the Federal funds for this program.

**Comments:**

1. According to the Ms. Darla Mills of the California Department of Forestry and Fire Protection (CDFFP), grant

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



funds may be used only for contracts with small local businesses to purchase and plant the trees. Plant materials must be purchased from at least one small local business, and the overall reforestation project must include the services of at least two small local businesses, according to Ms. Mills.

Ms. Mills reports that the grant funds must be expended by the end of the Federal fiscal year, which is September 30, 1993. In order to account to the Federal government in a timely fashion, however, Ms. Mills reports that CDFFP will require the funds to be expended prior to August 31, 1993.

2. Ms. Mills states that, because the Federal government did not provide funding to CDFFP to administer the grant, CDFFP has imposed an administrative fee of 20 percent. Under the proposed grant to DPW, the City would pay 20 percent of the proposed grant amount of \$182,552, or \$36,510.

Ms. Mills states that the administrative fee must be paid using local funds and cannot be paid from the grant proceeds. However, DPW has included the administrative fee in the budget for the grant-funded portion of the project, which conflicts with the grant requirements as stated by Ms. Mills.

3. Mr. John Thomas, a Landscape Architect at the Bureau of Engineering who assisted in preparing the grant application, reports that DPW's budget for 1992-93 does not include \$36,510 to pay the CDFFP administrative fee. Mr. John Roumbanis of the Department of Urban Forestry at DPW states that \$36,510 could be diverted from funds allocated in the 1992-93 DPW budget from Proposition B, 1/2 cent sales taxes proceeds to pay the administrative fee. These sales tax proceeds are allocated to DPW for street maintenance activities City-wide. Mr. Roumbanis states that although these funds are already committed to tree maintenance activities, it would be in the City's best interests to divert \$36,510 from these activities in order to secure the proposed grant funds of \$182,552 for the proposed reforestation projects. According to Mr. Roumbanis, the tree maintenance activities which would have been funded with the \$36,510 in Proposition B funds would be postponed.

4. Since the proposed grant funds cannot be used to pay the CDFFP administrative fee, then \$36,510 in grant funds which DPW has budgeted for the administrative fee would be available for additional reforestation activities. Mr. Roumbanis states that these funds would be used to provide a



larger number of trees for the three projects already specified in the proposed reforestation program.

5. Mr. Mel Baker of the Department of Urban Forestry at DPW states that DPW has not yet identified the small local businesses that would be retained under the grant program. The project budget submitted by DPW includes \$146,042 for contractual services. However, as previously noted, the balance of the proposed grant, in the amount of \$36,510, is also required to be used for contractual services to procure and plant trees. Therefore, the entire proposed grant amount of \$182,552 should be placed on reserve pending identification of the proposed contractors and specific budget details for the reforestation projects.

6. Ms. Mills states that the terms of the grant include a local in-kind contribution of at least 35 percent of the total grant amount. Based on the proposed grant to the City of \$182,552, the City would be required to provide an in-kind contribution of at least \$63,893. Ms. Mills states that maintenance services provided within three years after the trees are planted can be used to satisfy the in-kind contribution requirement.

The project budget submitted by DPW reflects that the in-kind contribution would consist of project planning and construction management services valued at \$15,000, and maintenance costs of \$140,680, for a total in-kind contribution of \$155,680. This is \$91,787 more than the required in-kind contribution of \$63,893. Mr. Roumbanis states that the City's actual contribution would be higher than the required in-kind contribution because the City would need to remove 550 trees damaged in the 1990 freeze, before new trees could be planted using the proposed grant funds.

Mr. Baker states that the City's in-kind contribution for maintenance of \$140,680 is included in DPW's approved 1992-93 budget for street tree maintenance. If the proposed grant were not accepted and new trees were not planted, Mr. Baker states that the City would nonetheless incur costs of approximately \$70,000 to remove the 550 damaged trees, but would not have to expend approximately \$70,000 to maintain the 3,350 proposed new trees.

7. In summary, the Budget Analyst notes that DPW will not require supplemental appropriations to pay the \$36,510 CDFFP administrative fee and the City's \$155,680 in-kind contribution. However, the City will transfer \$36,510 from existing tree maintenance projects to pay the administrative





fee, resulting in a decrease in some maintenance activities for the City's existing trees. If and when the proposed reforestation project is completed, the City would be required to maintain 3,350 new trees, at an estimated annual cost of \$70,000.

The benefit to the City of the proposed grant funds would be a total of \$182,552 in new funds for tree purchases and planting activities. These funds would include \$146,042 to purchase and plant 550 replacement trees throughout the City (estimated by DPW at approximately \$82,000), and approximately 2,800 trees along Sunset Boulevard and Brotherhood Way (estimated by DPW at approximately \$64,000). In addition, \$36,510 would be available to augment the number of trees proposed for Sunset Boulevard and Brotherhood Way.

8. The proposed resolution would authorize DPW to apply for, accept and expend the proposed grant funds. However, DPW applied for the proposed grant in March, 1992. Therefore, the title and body of the proposed resolution should be amended to ratify action previously taken by DPW to apply for the proposed grant.

9. The proposed resolution states that indirect costs are not included because the proposed grant includes only non-labor costs and therefore indirect costs "are not a factor." According to Ms. Mills, the U.S. Small Business Administration does not allow indirect costs. Therefore, the proposed resolution should be amended to reflect that indirect costs are not allowed by the Small Business Administration.

10. The completed Grant Application Information Form provided by DPW is attached.

- Recommendation:**
1. Amend the title of the proposed resolution to reflect that authorization to apply for the proposed grant would apply retroactively, and that indirect costs would be waived;
  2. Amend page 1, lines 22 through 24 to read, "Whereas, the U.S. Small Business Administration does not allow funding for indirect costs and indirect costs are therefore waived; now therefore be it..."
  3. Amend the proposed resolution at page 2, line 1 by substituting "apply for, retroactive to March 1, 1992," for the words "apply for;"



Memo to Finance Committee  
November 18, 1992

4. Amend the proposed resolution to reserve the entire grant amount of \$182,552 pending identification of contractors and specific budget details for the proposed reforestation projects.
5. Approve the proposed resolution, as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



File Number \_\_\_\_\_

Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying  
resolution:

Department: PUBLIC WORKS

Contact Person: DAN MCKENNA Telephone: 554-6700

Project Title: SMALL BUSINESS TREE PLANTING PROGRAM

Grant Source: SMALL BUSINESS ADMINISTRATION

Proposed (New / Continuation) Grant Project Summary:

REMOVAL AND REPLACEMENT OF 550 STREET TREES  
CITYWIDE, IN RESPONSE TO FREEZE DAMAGE CAUSED  
BY 1990 "ARCTIC EXPRESS." TREES ARE PUBLICLY OWNED

REFORESTATION OF SUNSET BOULEVARD BY PLANTING  
200 TREES.

BROTHERHOOD WAY TREE PLANTING AND RESTORATION  
OF NATIVE TREES AND SHRUBS. 1800 UNITS TO <sup>BE</sup> PLANTED.

Amount of Grant Funding Applied for: \$182,552

Maximum Funding Amount Available: \$200,000

Required Matching Funds: \$127,86 <sup>516,746</sup> (36,510 + 79,267 in fund services)

Number of Positions Created and Funded: SMALL BUSINESS CONTRACTS

Amount to be Spent on Contractual Services: \$146,000 182,552

Will Contractual Services be put out to Bid? YES





Term of Grant: ONE YEAR (AUGUST 1993)

Date Department Notified of Available funds: MARCH 13, 1992

Application Due Date: MARCH 16, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

*See attached*

\_\_\_\_\_  
Department Head Approval



## INTRODUCTION

The California Department of Forestry and Fire Protection (CDF) is accepting applications from state and local governmental agencies for the allocation of tree planting funds through a program sponsored by the U.S. Small Business Administration. Grants are available to state and local agencies for the purpose of planting trees on state or local government owned or controlled land.

For further assistance, please contact Jonathan Rea at (916) 653-9420 or Don Banghart at (916) 653-9447.

## PROGRAM OVERVIEW

Funding Instrument: Grant

Funding: The total amount of grant dollars available to the State of California is \$1,743,166.

Matching Requirements:

25% of 1st half of project plus  
45% of 2nd half of project, cash or in-kind  
(Matching can include CDF administrative charge).

CDF Administrative Charge:

CDF will charge up to 20% of the grant amount for administrative support, payable upon contract signature.

Closing Time and Date for the Submission of Applicants:

March 16, 1992, 5:00 p.m. local time

Project Starting Date: Prior to September 30, 1992

Project Duration: 12 months

Project Completion Date: September 30, 1993

Authority: Section 24 of the Small Business Act, 15 U.S.C. Section 651



Item 1j - File 25-92-33

**Department:** Department of Social Services (DSS)

**Item:** Resolution concurring with the Controller's certification that Coordinator and Mentor Services for the Independent Living Skills Project can be practically performed by a private contractor for lower cost than similar work services performed by City and County employees.

**Services to be Performed:**

Coordinator and Mentor Services include coordination of the services of four agencies providing Independent Living Skills services contracted through the Department of Social Services and mentor services to approximately 80-100 adolescents (ages 16-19) participating in the Independent Living Skills Project. These mentor services include the recruitment and training of adult volunteers to serve as mentors (counselors) to the adolescents and the recruitment and enrollment of the adolescents in various support services (i.e., tutorial and job training).

**Description:**

The Controller has determined that contracting for Coordinator and Mentor Services at the Department of Social Services for calendar year 1993 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Costs</u>		
Salaries	\$40,668	\$48,128
Fringe Benefits	<u>9,354</u>	<u>11,069</u>
Total	\$50,022	\$59,197
<u>Contracted Service Costs</u>	<u>46,300</u>	<u>46,300</u>
<u>Estimated Savings</u>	\$3,722	\$12,897

**Comments:**

1. According to the Department of Social Services, Coordinator and Mentor Services were first certified as required by Charter Section 8.300-1 in 1989 and have continued to be provided by an outside contractor since then.
2. The current contract for the Coordinator and Mentor Services, which originally was due to expire September 30,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





1992, was extended for three months to December 31, 1992. The proposed contract for these services would be for a nine month period from January 1, 1993 to September 30, 1993.

3. Mr. Dave Rees of the DSS advises that this contract is funded by Federal Title IV monies and the funder requires that the contract be bid competitively each year. According to Mr. Rees, the DSS received three proposals in response to a Request for Qualifications (RFQ) issued recently by the Department. The RFQ was advertised in the Purchaser's Bid Job Opportunity bulletin, as well as in the San Francisco Independent, the Asian Weekly, the El Bohemio, and the Bay Area Reporter. Additionally, the DSS sent out individual letters announcing the job opening to 96 agencies in the City. The Department selected Ms. Kasey Brenner as the most qualified applicant. Ms. Brenner is the current contractor for these services. The proposed 1993 contract with Ms. Brenner would represent the fourth year that Ms. Brenner has provided these contract services. Ms. Brenner is not a certified/registered MBE or WBE firm.

4. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.



CHARTER 8.300-1 PROPOSITION J QUESTIONNAIRE

DEPARTMENT 45 Social Services For Time period 10/1/92 to 9/30/93

CONTRACT SERVICES Coordination and Mentor Services, ILS Program

1. Who performed services prior to contracting out?

Service has been contracted out since program was established. It has never been performed by City and County employees.

2. Number of City employees laid off as result of contracting out?

None.

3. Explain disposition of employees if they were not laid off?

Not applicable. Employees had not performed service.

4. What percent of a City employee's time is spent on services to be contracted out.

None.

5. How long have the services been contracted out?

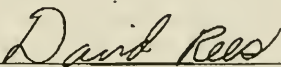
4 years.

6. What was the first fiscal year for a Proposition J certification?

1989-1990

7. How will contract services meet the goals of your MBE/WBE Action Plan.

It will conform with the plan. RFQ has been conducted.

  
\_\_\_\_\_  
David Rees, Contract Manager  
Department Representative

557-5585  
\_\_\_\_\_  
Telephone Number



Item 1k - File 143-92-5

**Department:** Police Department

**Item:** Resolution authorizing the Chief of Police of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$110,000 made available through the Office of Criminal Justice Planning and agreeing to provide a cash match in the amount of \$12,222.

**Grant Amount:** \$110,000

**Grant Period:** July 1, 1992 to June 30, 1993

**Source of Funds:** Office of Criminal Justice Planning

**Project:** Crime Prevention Expansion Project: Mission Corridor

**Description:** The Police Department reports that the Mission Police District has the highest number of calls for service in the City. According to the Department, calls in the Mission District are ten times the City average. The Department states that the project target area has a population that is among the most diverse in the City, with a high density of families and older adults living at or below the poverty level. The area also lacks affordable housing, has a high unemployment rate and a large number of undocumented aliens. Additionally, the Department notes that the area contains a significant number of parolees.

The proposed State grant funds would be used to provide services aimed at expanding crime prevention efforts in the high crime Mission Corridor area. The grant funds would specifically be used for (1) police staff training aimed at crime prevention, with an emphasis on victim services and cultural and ethnic sensitivity, and (2) community outreach, empowerment and organizing, through the coordinated efforts of the Community Police Officer Program (CPOP) and the San Francisco Safety Awareness for Everybody (SAFE), Inc., a community based organization which provides crime prevention services. CPOP and SAFE would work with Neighborhood Watch groups, the elderly, youth, area service providers, community groups, businesses and the City to implement new, non-traditional crime prevention activities.





<b>Budget:</b>	<u>Program Administration</u>	
	Personnel	
	Police Captain (.05 FTE)	\$3,000
	Police Officer (.05 FTE)	<u>1,964</u>
	Subtotal	\$4,964
	<u>Operating Expenses</u>	
	OCJP Training Conference	\$300
	Travel	472
	Contract Services	
	S. F. SAFE, Inc. (non-profit)	78,555
	S. F. Youth Courts, Inc. (non-profit)	1,500
	Consultant Services	
	Cultural/Ethnic Awareness Training	28,820
	Audit	<u>1,500</u>
	Subtotal	111,147
	<u>Indirect Costs</u>	<u>6,111</u>
	Total	* \$122,222

\* The \$122,222 program budget amount includes \$110,000 in State grant monies plus \$12,222 in required matching funds.

**Required Match:** \$12,222, which is included in the Police Department's 1992-93 budget.

**Indirect Costs:** \$6,111 (5 percent of grant)

- Comments:**
1. As noted above, the proposed grant has a start date of July 1, 1992. However, the Police Department reports that no expenditures have been incurred against these grant funds. As such, it is not necessary to amend the proposed legislation to authorize the Department to expend the grant funds retroactively.
  2. The Police Department reports that the grant application, which had a due date of April 13, 1992, has already been submitted. Therefore, the proposed legislation should be amended to authorize the Department to apply for the proposed grant retroactively.
  3. Indirect costs are referenced in the body of the proposed legislation but not in the title of the legislation. Therefore the proposed legislation should be amended to reference indirect costs in the amount of \$6,111 in the title of the legislation.
  4. A Disability Access Checklist for this program is included in the Board of Supervisors file.



Memo to Finance Committee  
November 18, 1992

5. A summary of the proposed grant, as prepared by the Police Department, is attached.

**Recommendation:** Amend the proposed resolution to (1) authorize the Department to apply for the proposed grant retroactively and (2 ) reference indirect costs in the amount of \$6,111 in the title of the legislation, and approve the proposed resolution as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Police Department

Contact Person: Lt. Larry Ryan Telephone: 553-9177

Project Title: Crime Prevention Expansion Project: Mission Corridor

Grant Source: Office of Criminal Justice Planning

### Proposed (New / Continuation) Grant Project Summary:

Based upon data gathered via a community needs assessment and crime statistic analysis, the San Francisco Police Department has developed an innovative approach to expand crime prevention in the high crime, culturally and ethnically diverse target area. Community Police Officer Program (CPOP) has been active in this area for over two years. This grant emphasizes SFPD training to increase crime prevention efforts, training in victim services and cultural and ethnic sensitivity; community outreach, empowerment and organizing using the unique skills of CPOP and San Francisco SAFE, Inc., a community-based group that provides crime prevention services to San Franciscans. CPOP and SAFE will work with Neighborhood Watch groups, youth elderly, area service providers, community groups, businesses and city government to implement new, non-traditional crime prevention activities.

Amount of Grant Funding Applied for: \$110,000.00

Maximum Funding Amount Available: \$110,000.00

Required Matching Funds: \$ 12,222.00

Number of Positions Created and Funded: -0-

Amount to be Spent on Contractual Services: \$108,875.00

Will Contractual Services be put out to Bid? NO





Term of Grant: July 1, 1992 through June 30, 1993

Date Department Notified of Available funds: \_\_\_\_\_

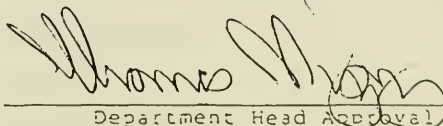
Application Due Date: April 13, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

See Attached

Assessment of Need for Grant Funding:

With current resources limited, the San Francisco Police Department believes that this OCJP grant funding will enable officers to receive necessary training in cultural and ethnic sensitivity and victim services. Funding will also allow expansion of crime prevention efforts in this troubled target area that would not otherwise be available.

  
\_\_\_\_\_  
Department Head Approval



Item 11 - File 146-92-39.1

**Department:** Department of Public Health (DPH)

**Item:** Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, to accept and expend a grant of \$42,402 from the State Department of Health Services for an augmentation of immunization services; waiving indirect costs.

**Grant Amount:** \$42,402

**Grant Period:** July 1, 1992 through June 30, 1993

**Source of Funds:** California Department of Health Services

**Project:** Immunization Services

**Description:** The State Department of Health Services previously awarded a grant of \$94,772 (File 146-92-23.1) to the Department of Public Health (DPH) for fiscal year 1992-93 to provide immunization services for pregnant women, infants and children, and persons at risk of Hepatitis B. The proposed grant is an augmentation grant which would provide an additional \$42,402 for this program in order to enhance the childhood immunization program. The proposed funds would be used to provide expanded hours at 7 district health centers by offering evening and Saturday clinics. DPH expects the expanded hours to result in a 10 percent increase in the number of children who receive timely immunizations against tetanus, diphtheria, and pertussis.

Authorization to apply for the proposed augmentation grant was approved by the Board of Supervisors through immediate adoption on June 15, 1992.

<b>Budget:</b>	<u>Personnel</u>	<u>FTE</u>	<u>Amount</u>
	Registered Nurse	.30	\$15,473
	Health Worker II	.50	<u>13,596</u>
	Total Salaries	.80	\$29,069
	Mandatory Fringe Benefits		<u>7,886</u>
	Total Personnel		\$36,955
	Travel		447
	Computer Equipment		<u>5,000</u>
	Total Proposed Grant Amount		\$42,402

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Required Match:** None

**No. of Persons  
Served:**

The expanded access at district health centers will enable DPH to immunize approximately 3,200 additional children in 1992-93.

**Indirect Costs:** DPH reports that it is the policy of the State Department of Health Services not to allow indirect costs for this grant program.

**Comments:** 1. According to DPH, the computer equipment included in the proposed augmentation grant would be used by the Registered Nurse for data entry, correspondence, and other activities related to the activities of the Saturday and evening clinics. According to Ms. Jane Lev of DPH, the Bureau of Epidemiology and Disease Control is in the process of seeking approval from the Electronic Information Processing Steering Committee (EIPSC) for the proposed computer equipment. The Budget Analyst therefore recommends that \$5,000 of the proposed grant funds be placed on reserve pending approval of the proposed equipment by EIPSC.

2. The proposed grant funds will augment the original grant for the period July 1, 1992 through June 30, 1993. However, Ms. Lev reports that the services funded by the augmentation grant will be provided only between January 1, 1993 and June 30, 1993. Expenses have not been incurred against the proposed grant funds, according to Ms. Lev.

4. The Summary of Grant Request submitted by DPH is attached.

5. Disability Access Checklists for the district health centers are on file with the Board of Supervisors.

**Recommendations:** 1. Amend the proposed resolution to place \$5,000 of the proposed grant funds on reserve pending approval by EIPSC of the computer equipment included in the grant budget.

2. Approve the proposed resolution, as amended.





# Health Commission - Summary of Grant Request

Rev. 4/10/90

Sponsor: State Dept. of Health Services  
 Contact Person: Les Burd  
 Address: 2151 Berkeley Way  
Berkeley, CA 94704  
 Amount Requested: \$ 42,402  
 Term: From 7/1/92 To 6/30/93  
 Health Commission: N/A

Division: Community Public Health Service  
 Section: Epidemiology & Disease Control  
 Contact Person: Carlos Rendon  
 Telephone: 554-2832  
 Application Deadline: July 1, 1992-Original G  
 Notification Expected: October 1, 1992  
 Board of Supervisors: Finance Committee: 11/18/92  
 Full Board: 11/23/92

I. Item Description: Request to expand (accept and expend) used (conserve) collaboration (augmentation to a) grant in the amount of \$ 42,402 from the period of 7/1/92 to 6/30/93 to provide immunizations services.

## II. Summary: (Concise summary, need addressed, number & groups served, services and providers)

Supplemental funds for augmenting staff to provide for expanded access for immunizations by offering evening and Saturday clinics at 4 Public Health Centers. The implementation of these services will be invaluable in preventing disease and protecting the well being of our youngest citizens.

## III. Outcomes/Objectives:

The number of 4th doses of diphtheria, tetanus, pertussis administered in public clinics to children before their 2nd birthday will increase by 10% points compared to the number administered to children of identical age during the preceding 12 month period.

## IV. Effects of Reduction or Termination of These Funds:

Expanded clinics would not be available to those who could not come in during regular hours thus increasing the likelihood of some children not adequately immunized and susceptible to what would have been a preventable disease.

## V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Rec. Match	Approved by
	Two Years Ago	Part Year/Orig.	This FY Year	Change		
Grant Amount	81,600	94,772	94,772	42,402		
Personnel	66,247	88,012	88,695	36,955		
Equipment	5,000	-0-	-0-	5,000		
Contract Svc.	-0-	-0-	-0-	-0-		
Mat. & Supp.	1,750	2,035	900	-0-		
Facilities/Space	-0-	-0-	-0-	-0-		
Other	8,603	4,725	5,177	447		
Indirect Costs				XX		

## VI. Data Processing

(costs included above)

## VII. Personnel

F/T CSC	2	2	2	1	
P/T CSC	0	0	0	1	
Contractual	-	-	N/A	-	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
 NONE

Will grant funded employees be retained after this grant terminates? If so, How?  
 NO

VIII. Contractual Services: Open Bid \_\_\_\_\_ Solicitor: \_\_\_\_\_ (If not used, attach Request for Bid Form)



Item 1m - File 146-92-40.1

**Department:** Department of Public Health  
Division of Mental Health and Substance Abuse Services

**Item:** Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services, to accept and expend a grant of \$283,000 which includes indirect costs in the amount of \$14,150 based on 5 percent of the total award from the State Department of Mental Health Services; for consultation, education, and information services to San Francisco residents; providing for ratification of actions previously taken.

**Grant Amount:** \$283,000

**Grant Period:** July 1, 1992 through June 30, 1993

**Source of Funds:** State Department of Mental Health Services

**Project:** Consultation, Education, and Information Services

**Description:** The proposed continuation grant would fund 87 percent of the 1992-93 budget for the Consultation, Education, and Information Unit (CEI Unit) of the Department of Public Health (DPH) (remaining funds are provided through Proposition 99 Tobacco Tax revenues). The program is staffed by professional health educators who provide information and assistance to community caregivers (schools, churches, mental health centers, and service coalitions) and provide information and education services to individuals under high stress (the severely mentally ill, their families and caregivers; immigrants and refugees; single parents, and people who might not otherwise receive services due to language barriers). According to DPH, these services are provided in four languages.

The State Department of Mental Health Services administers these grant funds which are provided by the U.S. Substance Abuse and Mental Health Services Administration. The proposed grant is a continuation grant which has been available since the early 1970's.

DPH reports that the State Department of Mental Health Services did not solicit grant applications until August 1992, although the grant period began July 1, 1992. As a result, DPH reports that expenses have been incurred against the proposed grant funds. The proposed resolution would therefore ratify actions previously taken.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
November 18, 1992

<b>Budget:</b>	<b><u>Personnel</u></b>	<b><u>FTE</u></b>	<b><u>Amount</u></b>
	Health Program Coordinator	.90	\$48,737
	Mental Health Educator	1.75	83,655
	Assistant Health Educator	1.00	48,178
	Clerk Typist	<u>1.45</u>	<u>41,403</u>
	Total Salaries	5.10	\$221,973
	Fringe Benefits (21 percent)		<u>46,614</u>
	Total Personnel		\$268,587
	Equipment		<u>263</u>
	Total Direct Costs		\$268,850
	Indirect Costs (5 percent of total grant)		<u>14,150</u>
	Total Grant Amount		\$283,000

**Required Match:** None

**Indirect Costs:** According to DPH, indirect costs are allowed as 5 percent of the total grant amount of \$283,000, or \$14,150.

**Comments:** 1. Personnel costs have been incurred against the proposed grant funds since the beginning of the fiscal year on July 1, 1992. Therefore, as previously noted, the proposed resolution would ratify actions previously taken.

2. The Summary of Grant Request submitted by DPH is attached.

3. A Disability Access Checklist for the Division of Community Mental Health and Substance Abuse Services of DPH is on file with the Board of Supervisors.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



State Dept. of Mental Health  
 Person Lori McMahan  
 Address 1600 9th St.  
Sacramento, CA 95814  
 Amount Requested \$ 283,000  
 Term: From 7/1/92 To 6/30/93  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

Div. of Mental Health, Substance  
 Division Abuse Services  
 Section Consultation, Education & Information  
 Contact Person Nora Goodfriend-Koven, MPH  
 Telephone (415) 255-3662  
 Application Deadline September 14, 1992  
 Notification Expected October 30, 1992

Item Description: Request to ~~(apply for)~~ (accept and expend) a ~~(new)~~ (continuation) ~~(allocation)~~ ~~(appropriation)~~  
 grant in the amount of \$ 283,000 from the period of 7/1/92 to 6/30/93  
 to provide consultation, education & information services.

Summary: (Concise summary of need, objectives, results, and services and providers)  
 Consultation, Education and Information services are provided to the entire population of San Francisco. A team of bilingual, bi-cultural MPH and BA level mental health educators provides these outreach and education services which include support groups, suicide intervention training and parent skills training. We also consult with DPH staff on workshops and training.

III. Outcomes/Objectives:  
 The population of San Francisco will be more knowledgeable about mental health and mental illness and be able to access services when necessary.

V. Effects of Reduction or Termination of These Funds:  
 Citizens of San Francisco will not have basic information about mental health and mental illness and will not know how and where to access services when necessary.

VI. Financial Information:

	FY 90/91 Col. A	FY 91/92 Col. B	FY 92/93 Col. C	Col. D	Rec. Match	Approved by
	Two Years Ago	Part Year/Orig.	Proposed	Change		
Grant Amount	283,000	283,000	283,000	0		
Personnel	230,957	250,561	267,614	17,053		
Equipment	4,646	0	0			
Contract Svc.						
Mat. & Supp.	7,268	1,789	1,236	- 553		
Facilities/Space	10,000	10,000	0	0		
Other	29,329	16,322	0	0		
Indirect Costs (5%)	0	12,528	14,150	1,622		

VII. Data Processing  
 (see included above)

VIII. Personnel

	5	5	5		
F/T CSC					
P/T CSC	2	2	2		
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
 Two 2823 Mental Health Educator funded partially through Prop. 99.

Will grant funded employees be retained after this grant terminates? If so, How?  
 Yes, via private foundation funding. They may also be dispersed throughout the health department if vacant positions become available.

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Proposals Form)





Item 1n - File 146-92-54

**Department:** Department of Public Health (DPH),  
Special Programs for Youth (SPY)

**Item:** Resolution authorizing the DPH to apply for, accept and expend a grant of \$66,774 which includes indirect costs in the amount of \$11,070 based on 20 percent of salaries and fringe benefits from the American Foundation for AIDS Research, to investigate the epidemiology of high risk adolescents in San Francisco; providing for ratification of action already taken.

**Grant Amount:** \$66,774

**Grant Period:** January 1, 1993 through December 31, 1993

**Source of Funds:** American Foundation for AIDS Research

**Project:** Investigation of the Epidemiology of High Risk Adolescents in San Francisco

**Description:** The proposed grant would fund a study of the behavioral risk factors for HIV among San Francisco's high risk youth, and to evaluate the relationship between client behaviors, Sexually Transmitted Diseases (STD) and HIV seropositivity. The data would be collected from three community clinics serving San Francisco's homeless, runaways and youth involved in the juvenile justice system. The results of the study would help DPH design intervention policies to prevent the further spread of the HIV infection.

<b>Budget:</b>	<u>FTE</u>	<u>Amount</u>
Epidemiologist I	1.0	\$43,930
Fringe @ 26%		<u>11,422</u>
Subtotal		\$55,352
Indirect Costs @ 20%	—	<u>11,070</u>
Total Grant Budget	1.0	\$66,422

**Required Match:** None

**No. of Persons Served:** San Francisco's HIV high risk youth

**Indirect Costs:** \$11,070 based on 20 percent of salaries and fringe benefits.



**Comments:**

1. The application for the proposed grant application was submitted on August 25, 1992. Therefore, the proposed resolution provides for ratification of action already taken.
2. The DPH submitted a budget of \$66,422 for the proposed grant. However, the proposed resolution would authorize the DPH to apply for, accept and expend a grant of \$66,774, or \$352 more than the DPH's budget. Therefore, the proposed resolution should be amended to reduce the grant amount by \$352, from \$66,774 to \$66,422.
3. Attached is the Summary of Grant request form submitted by DPH.
4. A copy of the Disability Checklist is included in the Board of Supervisors file.

**Recommendation:** Amend the proposed resolution to reduce the grant amount by \$352, from \$66,774 to \$66,422 as described in Comment 2. Approve the proposed resolution as amended.



Grantor - AMERICAN FOUNDATION FOR AIDS RESEARCH Division CPHS  
 Contact Person \_\_\_\_\_ Section Special Programs for Youth/Tom Waddell  
 Address 5900 Wilshire BL, 2nd Floor Contact Person Anne Marie Benedicto  
Los Angeles, CA 90036-5032 Telephone 753-7778  
 Amount Requested \$ 66,774 Application Deadline August 25, 1992  
 Term: From 01/01/93 To 12/31/93 Notification Expected \_\_\_\_\_  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuing) (renewal) (reopening) grant in the amount of \$ 66,774 from the period of Jan 1 1993 to Dec 31 1993 to provide investigate the epidemiology of HIV/AIDS among high risk adolescent services in San Francisco.

II. Summary: (Concise summary; need address; include a group name, services and providers)  
This is a research grant enacted to study the behavioral risk factors for HIV among San Francisco's high risk youth, and to evaluate the relationship between client behaviors, STDs and HIV seropositivity. The data will be gathered from three community clinics serving San Francisco's homeless, runaway and youth involved in the juvenile justice system. The results of this study will help design intervention policies to prevent further spread of infection.

III. Outcomes/Objectives:  
(1) To describe the behavioral risk factors for HIV among San Francisco's high risk youth; (2) to evaluate the relationship between client behaviors, STDs and HIV seropositivity; (3) To increase the effectiveness of current intervention models.

IV. Effects of Reduction or Termination of These Funds:  
A field of study that will impact the implementation and design of present intervention models will not be developed. Our information on HIV-infection and risk among San Francisco's high risk youth will not be complete.

V. Financial Information:

	<u>Col. A</u>	<u>Col. B</u>	<u>Col. C</u>	<u>Col. D</u>	<u>Req. Match</u>	<u>Approved by</u>
	<u>Two Years Ago</u>	<u>Past Year/Orig.</u>	<u>Proposed</u>	<u>Change</u>		
Grant Amount	_____	_____	<u>\$66,774</u>	_____	_____	_____
Personnel	_____	_____	<u>43,930</u>	_____	_____	_____
Equipment	_____	_____	<u>0</u>	_____	_____	_____
Contract Svc.	_____	_____	<u>0</u>	_____	_____	_____
Mat. & Supp.	_____	_____	<u>0</u>	_____	_____	_____
Facilities/Space	_____	_____	<u>0</u>	_____	_____	_____
Other	_____	_____	<u>11,422 (fringe)</u>	_____	_____	_____
Indirect Costs	_____	_____	<u>11,070</u>	_____	_____	_____

VI. Data Processing

(costs included above)

VII. Personnel

F/T CSC	_____	_____	<u>1.0</u>	_____	_____
P/T CSC	_____	_____	_____	_____	_____
Contractual	_____	_____	<u>0</u>	_____	_____

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
n/a

Will grant funded employees be retained after this grant terminates? If so, How?  
no.

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Estimate Form)





Item 10 - File 146-92-61.1

**Department:** Department of Public Health (DPH)

**Item:** Resolution authorizing the Department of Public Health to accept and expend a grant allocation of \$10,782,909 for Fiscal Year 1992-93 funding from the State Department of Health Services for California Healthcare for Indigents Program (CHIP) funds, for medical services to indigent persons, professional services, medical services contracts, materials and supplies, facilities rental, personal services and indirect costs in the amount of \$152,841 based on 1.658646 percent of County Hospital and other Health Services CHIP allocations.

**Grant Amount:** Up to \$10,782,909

**Grant Period:** July 1, 1992 through June 30, 1993

**Source of Funds:** State Department of Health Services

**Project:** California Healthcare for Indigents Program (CHIP)

**Description:** In 1988, the State Legislature passed the Tobacco Tax and Health Protection Act, as well as Assembly Bill 99 (AB99) and Assembly Bill 75 (AB75), which implemented the Tobacco Tax legislation. Under AB75, Counties may obtain funds for the California Healthcare for Indigents Program (CHIP) in order to reimburse hospitals, physicians, and other medical service providers for the cost of providing health care services to indigent people.

The proposed resolution would authorize the Department of Public Health (DPH) to accept, and expend up to \$10,782,909 in CHIP funds, including \$152,841 for indirect costs, for fiscal year 1992-93. These funds would be used to reimburse health care providers who have enrolled in the program, including San Francisco General Hospital, 10 private hospitals, and a number of private physicians, for the cost of providing health care services to indigent people.

**Budget:** The proposed \$10,782,909 budget includes \$152,841 in indirect costs, \$436,717 in operating expenses for the CHIP program, and \$10,193,351 for reimbursements to health care providers for the cost of providing care to indigent persons. These amounts would be distributed among the three Funds as follows:



# ALLOCATION OF AB 75 GRANT FUNDS

<u>Fund</u>	Reimbursement	<u>Indirect</u>	<u>Admin.</u>	<u>Total</u>
	to Health Care <u>Providers</u>			
Hospital Services Fund				
County Hospital (SFGH)	\$6,153,315	\$107,497	\$220,177	\$6,480,989
Private Hospitals	696,108		40,514	736,622
Physician Services Fund	748,385		83,153	831,538
Other Health Services Fund (SFGH)	<u>2,595,543</u>	<u>45,344</u>	<u>92,873</u>	<u>2,733,760</u>
<u>Total Grant Allocations</u>	\$10,193,351	\$152,841	\$436,717	\$10,782,909

Personnel and operating expenses for the program are budgeted at \$624,037 which exceeds the budgeted allocation for administrative expenses of \$436,717 by \$187,320. The \$187,320 shortfall would be paid by funds carried forward from prior years for administrative expenses, according to DPH. The \$624,037 budget for personnel and operating expenses is as follows:

## PERSONNEL

### Salaries

<u>Class</u>	<u>FTE</u>	<u>Amount</u>
Sr. Clerk Typist	1.0	\$31,272
Secretary II	1.5	45,702
Head Accountant	1.0	55,439
Principal Administrative Analyst	1.0	68,043
Systems & Procedures Supervisor	1.0	60,249
Health Worker IV	1.0	38,707
Senior Health Planner	1.0	50,081
Contracts Manager	1.0	49,327
Salary savings	-----	<u>(6,714)</u>
Total Salaries	8.5	\$392,106
Fringe Benefits (@ 25.4 percent)		<u>99,506</u>

Total Personnel \$491,612



**OPERATING EXPENSES**

Professional Services	\$78,593
Equipment Rental	3,627
Auto Mileage	1,032
Travel	1,926
Staff development and training	3,500
Postage, subscriptions, and printing	4,000
Telephone	8,981
Office supplies	1,815
Furniture	5,878
Rental of Property	16,848
Data Processing	725
Services of City Attorney	<u>5,500</u>

<u>Total Operating Expenses</u>	<u>\$132,425</u>
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TOTAL PERSONNEL & OPERATING EXPENSES	\$624,037
--------------------------------------	-----------

1992-93 Grant Funds for Administration	<u>(436,717)</u>
--	------------------

Personnel and Operating Expenses to be Paid From Funds Carried Forward from Prior Years	\$187,320
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**Required Match:** None

**No. of Persons Served:** Approximately 55,500 annually

**Indirect Costs:** Indirect costs, at \$152,841 are allowed based on 1.658646 percent of the combined allocations to the County Hospital (\$6,480,989) and to the Other Health Services Fund (\$2,733,760). (See "Allocation of AB 75 Grant Funds" chart, above.)

**Comments:** 1. AB 75 authorizes reimbursements to public and private hospitals and to private medical providers for the cost of health care for indigent persons. The reimbursements are made from three funds established pursuant to the legislation. The Hospital Services Fund is used to reimburse San Francisco General Hospital and 10 private hospitals. The Physician Services Fund is used to reimburse private physicians who have enrolled in the program. The Other Health Services Fund is used in San Francisco to reimburse San Francisco General Hospital for the cost of indigent care.

According to Mr. Leong of the DPH, the amounts available for each fund are determined by the amount of grant funds allocated to each fund by the State, and San Francisco has no discretion to transfer monies from one fund to another. DPH

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



must appropriate the monies allocated to the Hospital Services Fund and the Physician Services Fund according to the mandates of State legislation, according to Mr. Leong. DPH does not have discretion to determine what share of the Hospital Services Fund will be appropriated to San Francisco General Hospital or to private hospitals.

The Health Commission does have discretion to determine how appropriations will be made from the Other Health Services Fund, according to Mr. Leong. Mr. Leong states that the Health Commission has appropriated these funds to San Francisco General Hospital since the inception of the CHIP program, and will continue this practice in 1992-93.

2. According to Ms. Yvonne Lowe of San Francisco General Hospital, the Hospital's 1992-93 budget includes \$9,091,989 in expected revenues under the CHIP program. The total amount actually allocated to San Francisco General Hospital under the proposed grant would be \$8,748,858, or \$343,131 less than the amount included in San Francisco General Hospital's budget. This allocation of \$8,748,858 would consist of \$6,153,315 from the Hospital Services Fund and \$2,595,543 from the Other Health Services Fund. (To see how the \$8,748,858 ties into the total \$10,782,909 grant, see the "Allocation of AB 75 Grant Funds" chart, above.)

3. A summary of Grant Request Form, as prepared by the Department, is attached.

4. A Disability Access Checklist is in the file.

5. The DPH advises that if grant funds are reduced or terminated, personnel would be reduced or terminated accordingly. The proposed grant would support 8.5 FTEs.

6. The proposed grant of \$10,782,909 would be \$1,631,788, or approximately 13 percent, less than the preceding year's grant of \$12,414,697.

**Recommendation:** Approve the proposed resolution.





Item No. \_\_\_\_\_ He. A Commission - Summary of G 1 Request Rev. 4/10/90

Grantee State Health Services Division Public Health Administration

Contact Person George B. (Peter) Abbott, M.D. Section AB 75 Project

Address 714 P Street, Room 523 Contact Person Jeffrey Leong, AB 75 Coordinator

Sacramento, CA 94234 Telephone (415) 554-9162

Amount Requested \$ \$ 10,782,909 Application Deadline no specific date

Term: From 07/01/92 To 06/30/93 Notification Expected after receipt of application

Health Commission 08/11/92 Board of Supervisors Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

I. Item Description: Request to apply for (accept and expend) a (new) (continuation) (allocation) (augmentation to a)  
(Circle appropriate words) grant in the amount of \$ 10,782,909 from the period of 07/01/92 to 06/30/93  
 to provide California Healthcare for Indigents Program (CHIP) services.

II. Summary: (Concise summary and address; include a group work series and priorities)  
 (See attachment, page 2)

III. Outcomes/Objectives:  
 (See attachment, page 2)

IV. Effects of Reduction or Termination of These Funds:  
 (See attachment, page 2)

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Org.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	\$17,023,898	\$12,414,697	10,782,909			
Personnel	464,475	467,436	411,451			
Equipment	0	10,417	0			
Contract Svc.	200,267	31,606	0			
Mat. & Supp.	8,000	8,638	8,418			
Facilities/Space	71,400	16,848	16,848			
Other		11,723,112	10,193,351			
Indirect Costs	200,361	156,640	152,841			

VI. Data Processing

(Source indicated above) (not applicable)

VII. Personnel

(not applicable)

F/T CSC \_\_\_\_\_

P/T CSC \_\_\_\_\_

Contractual \_\_\_\_\_

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
 (Not applicable)

Will grant funded employees be retained after this grant terminates? If so, How?

AB 99 legislation authorizes continuation of CHIP funding through June 30, 1994,  
 a percentage of which is used for administrative personnel costs.

VIII. Contractual Services: Open Bid X Sole Source \_\_\_\_\_ (If sole source, attach Request for Exception Form)



Item 2 - File 188-92-1

**Note:** This item was continued from the Finance Committee meeting of November 4, 1992.

1. This is a hearing to consider the fiscal impact of the 1987 contracts with Pacific Gas and Electric Company (PG&E) and the Modesto and Turlock Irrigation Districts (M/TID) for the purchase and sale of Hetch Hetchy hydroelectric power. When this item was last heard by the Finance Committee, on October 21, 1992, specific questions were asked by the Committee to the Budget Analyst, the Hetch Hetchy General Manager and the City Attorney. This report addresses those questions.

2. **Chronology of Contract Negotiations** - Attachment 1 is a copy of the City Attorney's memorandum concerning the history of negotiations between the City and County of San Francisco, the Pacific Gas & Electric Company and the Modesto/Turlock Irrigation Districts.

3. **The Results of Contract Negotiations with the Districts** - Attachment 2 to this report provides a memorandum from Hetch Hetchy and the City Attorney entitled "*Benefits and Obligations of the Power Contracts with The Modesto Irrigation District, Turlock Irrigation District and Pacific Gas & Electric Company*" in response to this inquiry from the Finance Committee.

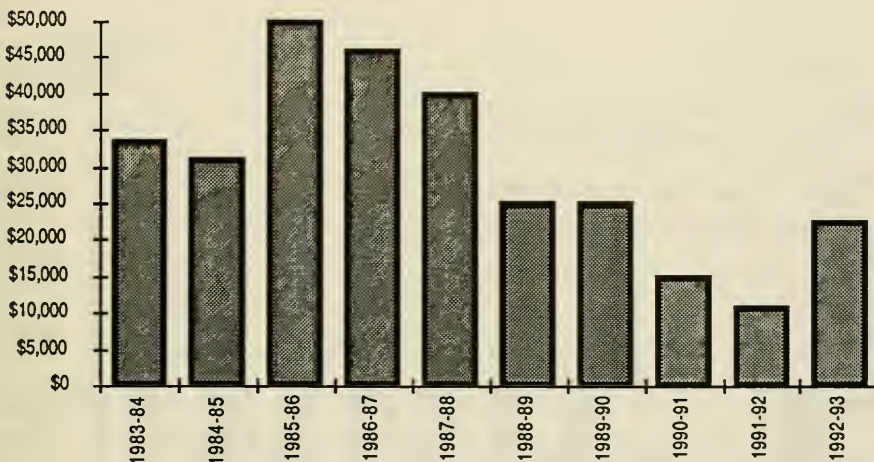
4. **The City's Options for Re-negotiation of the Contracts** - A separate memorandum explaining the City's options regarding re-negotiation of the terms and conditions of the PG&E and M/TID contracts is being prepared by the City Attorney and Hetch Hetchy. As of the writing of this report, this memorandum is not available.

5. **Reconciliation of Financial Information with San Francisco Bay Guardian newspaper article** - The Budget Analyst was directed to analyze data published in a newspaper article printed in the SF Bay Guardian regarding historical trends in equity transfers of surplus funds from Hetch Hetchy to the General Fund and the costs and benefits of transactions between Hetch Hetchy, PG&E and M/TID over a sixteen-month period beginning in March 1991 and ending June 1992. This review is discussed below:

**Equity Transfers to the General Fund** - The graph below provides a history of transfers to the General Fund for the ten-year period beginning with fiscal year 1983-84 and ending with the current, 1992-93 fiscal year. The chart below shows that the graph printed in the Bay Guardian article was substantially correct. However, the scale of the Bay Guardian chart served to exaggerate the relative differences between annual transfer amounts by depicting the transfers over a truncated range of \$10 million to \$50 million rather than the full range of zero to \$50 million.



Equity Transfers to the General Fund by Fiscal Year (thousands)



Charter Section 6.407 specifies the manner in which surplus funds may be transferred from utility funds (i.e. Hetch Hetchy and the Water Department) to the General Fund. Essentially, up to 25% of a preceding fiscal year's surplus may be transferred to the General Fund after accounting for operations, maintenance and repair and needed capital acquisitions and improvements. Therefore, equity transfers to the General Fund do not entirely result from prior year sales of Hetch Hetchy's hydroelectric power, but also depend on expenditures for operating and capital costs, other revenue such as the sale of water, and surplus balances from past years that had not been transferred to the General Fund.

A further complication that must be taken into consideration when reviewing Hetch Hetchy transfers to the General Fund is of course the effects of recent drought years on the system's water supply and resulting net revenue from the generation of hydroelectric power. The chart on the following page shows the relationships between these factors.

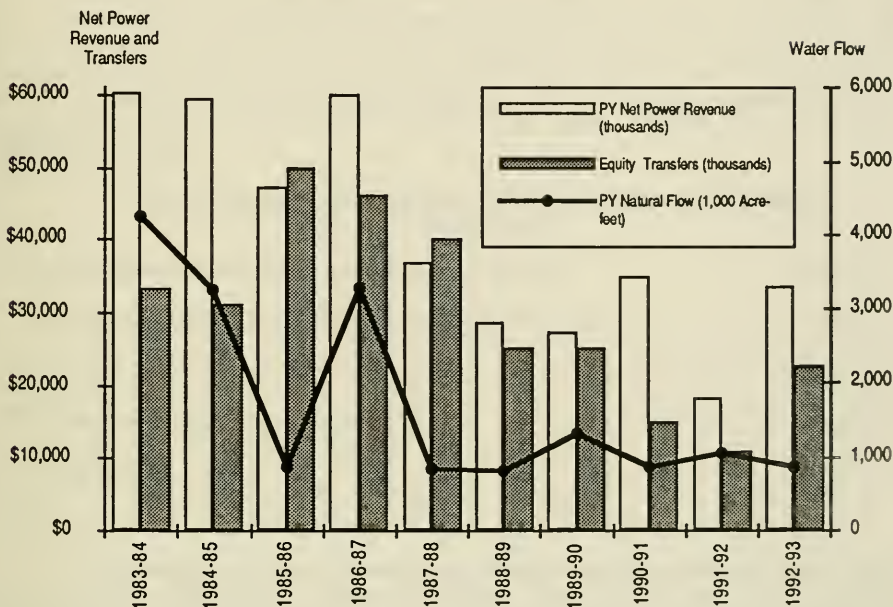
The chart on the next page compares equity transfers from Hetch Hetchy to the General Fund on a fiscal year basis with prior year (PY) values for net power revenue (total hydroelectric power sold less the costs of PG&E services such as transmission expense and capacity reserve costs and the purchase of power purchased from PG&E in order to meet contractual obligations).

Also shown on the chart are values for Prior Year Natural Flow, a measure of total inflows, in acre-feet, for the Tuolumne River system. This provides a relative comparison, on a year-to-year basis, of water supply available to Hetch Hetchy for reservoir storage and hydroelectric power generation.





Comparison of Net Power Revenue, Equity Transfers to  
General Fund and Water Flow



Source data for the two charts shown above and on the preceding page are displayed below.

Fiscal Yr.	PY Net Power Revenue (thousands)	Equity Transfers (thousands)	PY Natural Flow (1,000 Acre-feet)
1983-84	\$60,350	\$33,295	4,245
1984-85	\$59,552	\$31,000	3,243
1985-86	\$47,252	\$50,000	855
1986-87	\$60,069	\$46,000	3,286
1987-88	\$36,740	\$40,000	833
1988-89	\$28,665	\$25,000	808
1989-90	\$27,156	\$25,000	1,302
1990-91	\$34,967	\$15,000	864
1991-92	\$18,220	\$11,000	1,035
1992-93	\$33,592	\$22,600	851

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



6. **Costs and Benefits from the Purchase of Supplemental Power from PG&E to meet M/TID demand** - The Finance Committee has directed the Budget Analyst to reconcile the differences between data reported by the Bay Guardian and Hetch Hetchy. The Bay Guardian reported that Hetch Hetchy lost approximately \$10.7 million over a sixteen-month period between March 1991 and June 1992. After conferring with Bay Guardian staff, the Budget Analyst was informed that their estimate of PG&E bills for services and the purchase of supplemental power was based on projections, of computed average payments by M/TID for such purchased power. The Bay Guardian staff then added the cost of capacity reserve payments to arrive at the \$10.7 million loss figure. These calculations are summarized below:

**Bay Guardian Calculations for Period of March 91 to June 92**  
(in millions)

Calculated cost of Purchased Power from PG&E	\$ (17.3)
Projected M/TID Payments for Purchased Power	<u>12.9</u>
"Sales Loss"	\$ (4.4)
Mandatory Capacity Reserve Charge	<u>(6.3)</u>
Total Loss	\$ (10.7)

In contrast to the Bay Guardian calculations shown above, Hetch Hetchy reports that during the same sixteen-month period, the City paid PG&E less than \$6.2 million for "supplemental power" to meet the Districts' demands and charged the M/TID over \$6.6 million for the same supplemental power, thereby realizing a net benefit of over \$400,000 instead of the Bay Guardian's calculated "Sales Loss" of \$4.4 million. Hetch Hetchy also reports that Capacity Reserve payments to PG&E over that same period amounted to \$5.98 million, but that this expenditure was necessary not only to guarantee supplemental power but to provide "firm capacity" for all power generated by Hetch Hetchy, thereby assuring total revenues from M/TID of \$27.6 million including not only the sale of power purchased from PG&E but also power generated by Hetch Hetchy itself.

According to Hetch Hetchy, if capacity reserves were not guaranteed by PG&E, the City would not be able to sell power at firm power rates and therefore would not have realized total revenues of \$27.6 million over this period. Hetch Hetchy further adds that the contract with PG&E provides "capacity reserve credits" which reduced supplemental power purchase costs by \$7.3 million over the period analyzed.

The Finance Committee also directed the Budget Analyst to review billings from PG&E and payments by M/TID. As of the writing of this report, the Budget Analyst has received source data and an explanation of the PG&E billings for services to the City during the applicable time period.

**BOARD OF SUPERVISORS**  
BUDGET ANALYST



7. **Power Market Analysis** - The Finance Committee also directed the Budget Analyst to review any alternative market data or analyses for the services provided by PG&E to the City and long-term power sales agreements comparable to the City's contracts with M/TID.

Hetch Hetchy reports that no alternatives exist to the transmission, firming and other services provided by PG&E to the City. Therefore, they are unable to provide meaningful data to compare with the PG&E agreement.

Hetch Hetchy consultants, Stone & Webster, Inc. have provided a review of seven other long term power sales agreements in comparison to the City contracts with M/TID. The consultants note many factors that make comparisons difficult, such as the buyer/seller relationships, the years the agreements were initiated, the terms of the contracts, energy requirements and delivery contingencies. Such factors can cause variations in power prices of between 5% and 25% according to the consultants.

Hetch Hetchy's consultants conclude that, while acknowledging these differences, the City's current price for Class 3 power sold to M/TID of 40 mills per kilowatt hour (\$.04) is at the low end of the market, which ranges from 40 to 50 mills per kilowatt hour. The Budget Analyst notes that this difference between the M/TID contract and other long term markets remains substantially unchanged from prior reports by the Budget Analyst, based on surveys performed by Hetch Hetchy's consultants in 1984 and 1988. In these prior reports, the Budget Analyst concluded that if the M/TID agreements reflected other market data provided by Hetch Hetchy's consultants, then the City would realize substantially greater revenues.

Despite the fact that greater revenues could be achieved if the M/TID agreements were comparable to other long term sales contracts, according to Hetch Hetchy and the City Attorney, no opportunities exist to modify the existing M/TID agreements through re-negotiation under the contract terms and conditions.

As explained in Attachment 2 to this report, Hetch Hetchy believes that other contract features provide favorable financial results to the City. These include the fact that the Districts must pay for all firm power up to the project dependable capacity of 260 megawatts whether they use such power or not (i.e. "take or pay"), that the City can automatically increase power and energy for its municipal needs thereby reducing power supplied to the Districts, and that the City's rates for Class 3 power sold to the Districts escalate based on PG&E's average revenue for energy and not City costs for hydroelectric generation.



CITY AND COUNTY OF SAN FRANCISCO

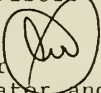
LOUISE H. RENNE  
CITY ATTORNEY  
CITY HALL


WATER SECTION  
Thomas M. Berliner  
Joshua D. Milstein  
John S. Roddy  
Christiane Hayashi Trippe  
Deputy City Attorneys  
(415) 554-4295

M E M O R A N D U M

DATE: October 30, 1992

TO: SUPERVISOR JIM GONZALES  
Chair, Finance Committee  
Board of Supervisors

THROUGH: ANSON B. MORAN   
General Manager  
Hetch Hetchy Water and Power

FROM: THOMAS M. BERLINER   
Deputy City Attorney

RE: History of Negotiations With Pacific Gas & Electric  
Company and the Modesto and Turlock Irrigation  
Districts Concerning Power Sales Contracts  
(Our Ref. No. P0019/84)

Pursuant to your request attached is a chronology of events leading up to the current power sales contracts with PG&E and the Modesto and Turlock Irrigation Districts (sometimes referred to as MID, TID or collectively as "Districts").

T.M.B.

Enclosure

cc: w/ enc.  
Sup. Hallinan  
Sup. Migden  
Budget Analyst  
T. Lakey

1470P/3





CHRONOLOGY OF EVENTS RELATING TO POWER CONTRACTS WITH THE MODESTO IRRIGATION DISTRICT, TURLOCK IRRIGATION DISTRICT AND PACIFIC GAS AND ELECTRIC COMPANY

DATES	COMMENTS
1945	City signs contract with PG&E for supplemental power and support services. (Contract expires 1987, per amendments.)
1973	City signs power sales contracts with Districts. Sold total output of Hetch Hetchy Project as "firm" power.
Nov. 1973	OPEC oil crisis escalated market rates. Over next several years City derived substantial revenues from PG&E "assigned customers."
1978	City unsuccessfully litigates with Districts to raise rates for power.
1979	Airlines unsuccessfully sue City re power of PUC to <u>set</u> rates.
July, 1980	Hetch Hetchy solicits 15 public agencies for interest in purchase of Hetch Hetchy power.
1981	Hetch Hetchy consultant, Auslam & Associates, recommended Districts, Western Area Power Administration (WAPA) as potential customers.
1981-1982 <sup>1/</sup>	PG&E informs City that next PG&E contract would be on same terms as current contract, but without assigned customers.
1981-1982	City negotiates with Districts on basis of PG&E representations.
1983	PG&E changes contract parameters and informs City that if City negotiates firm power sales contracts, City must pay for firming services. (See 1981-82.) PG&E elects to contract directly with Districts for support services.  PG&E discovers failure to escalate rate base from 1973. Cost to PG&E of approximately \$4 million/year.

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<sup>1/</sup> In late 1981 or early 1982, PG&E orally informed Dean Coffey - exact date unknown.



DATES	COMMENTS
1983	Districts discuss purchase of firm power from City. Districts will purchase additional power elsewhere.
Late 1983	Districts contend Hetch Hetchy not firm power so would pay us "dump power" (5-7 mills). Hetch Hetchy discusses firming with PG&E. City negotiates with Districts concerning firm power rates.
1984	Auslam and Associates' report recommends sale price of between 30-40 mills/kwh based upon amounts of power available from Pacific Northwest and Southwest.
Aug. 1984	MID prepared to sign contract with City; breaks away from TID. Proposed contract at 40 mills.
Sept. 1984	Rep. Tony Coelho's introduces legislation for TID to compel City power sales at "cost." Legislation passes House of Representatives. Sen. Wilson objects on procedural grounds. City negotiates with Districts, meets with Rep. Coelho. Coelho outlines terms for agreement including: 30-year contract, price of 23 mills, District priority to power, right to use excess Hetch Hetchy transmission and capacity, and other conditions.
Sept. 1984	City and Districts sign "principles."
May, 1985	Board of Supervisors approves 2-1/2 year "Interim Agreements" with Districts. City to sell bulk of power above City's municipal needs to Districts for 30 years, at 36.25 mills (price includes capacity charge), plus escalation, and other "Coelho" terms.
June, 1985	Prior contracts with Districts expire. Replaced by Interim Agreement.
July, 1985	City and Districts sign "Amplified Principles."
Dec. 1987	PG&E 1945 contract, as amended, expires.
Jan. 1988	"Extension Agreement" with Districts becomes effective. Present agreement with PG&E becomes effective.
Feb. 1988	Board of Supervisors hearing on power contracts.
April, 1988	Long Term Agreements with Districts become effective.

1470P/4



CITY AND COUNTY OF SAN FRANCISCO

LOUISE H. RENNE  
CITY ATTORNEY  
CITY HALL


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M E M O R A N D U M

DATE: November 5, 1992

TO: THE HONORABLE JIM GONZALEZ  
Chair, Finance Committee  
Board of Supervisors

FROM: ANSON B. MORAN   
General Manager  
Hetch Hetchy Water and Power  
THOMAS M. BERLINER  
Deputy City Attorney

RE: Benefits and Obligations of the Power Contracts With  
the Modesto Irrigation District, Turlock Irrigation  
District and Pacific Gas & Electric Company  
(Our Ref. No. P0019/84)

Pursuant to your request, the following summarizes the benefits and obligations which resulted generally from the power sales contracts with the Modesto Irrigation District and Turlock Irrigation District, and the support services contract with Pacific Gas & Electric Company.

You will recall that both the City contracts with the Districts and the PG&E contract received extensive analysis and debate both before the Public Utilities Commission and the Board of Supervisors. There were numerous hearings concerning both contracts - including one which Mayor Agnos attended, extensive analysis by PUC staff, the Budget Analyst, and outside consultants, including consultants retained specifically to analyze the contracts in their post-negotiated, pre-acceptance condition. Based upon this analysis, City leaders concluded that the contracts provided the City with a substantial increase in revenues over prior contracts, met the City's needs for disposal





THE HONORABLE JIM GONZALEZ  
Chair, Finance Committee  
Board of Supervisors

2

November 5, 1992  
1508P

of its Hetch Hetchy power, and protected the City from system failures and water supply shortages due to drought.

In reviewing the benefits and obligations, one must keep in mind that each party to a contract will have its own vision of the benefits and obligations which accrued. Furthermore, during the life of a contract, depending upon events, what may have started out to be a benefit or obligation in general, may not be perceived as such at all times.

BENEFITS AND OBLIGATIONS OF POWER SALES CONTRACTS TO THE  
MODESTO IRRIGATION AND TURLOCK IRRIGATION DISTRICT.

The agreements between the City and Districts are in two parts. The first phase of the agreement lasted 2-1/2 years. It was known as the "Interim" agreement. The second phase of the agreement is the "long-term" agreement and covers the remaining 27-1/2 years of the contract. The terms and conditions of both the Interim and long-term agreements were dictated in large part by the principles agreed to in 1984. These principles were the result of an intensive negotiation during the month of September, 1984 following the introduction by Rep. Tony Coelho of legislation which would have prevented the City from selling its Hetch Hetchy power for a profit. The basic principles and the subsequent amplification to these principles formed the basis for the long term agreement which is now in effect. The major provisions are set forth below.

BENEFITS.

1. During the first 2-1/2 years of the agreement (Interim Agreement) all sales by the City to the Districts were deemed "firm." This maximized revenues from City power.

2. During the first 2-1/2 years of the agreement (Interim Agreement) the Districts were obligated to pay for half of the charges from PG&E for firming services. This was a "pass through" of PG&E charges.

3. The Districts will pay a portion of the firming costs (\$700,000 per year) to "firm" their Class 1 power entitlements under the Raker Act. Prior to this contract, their Class 1 power entitlements were on an "as available" basis.

4. The Districts must pay for firm power up to 260 MW, whether they use it or not (i.e. "take or pay"). That is, the Districts are obligated to pay the City during the life of the contract for the amount of power that they have committed to



THE HONORABLE JIM GONZALEZ  
Chair, Finance Committee  
Board of Supervisors

3

November 5, 1992  
1508P

purchase. Should the Districts develop other resources which could provide them power cheaper than available from this contract, they will nevertheless have to pay the City for the full amount of their commitment.

5. The price for Class 3 (commercial) power was initially established on the basis of a market rate and will escalate pursuant to increases in PG&E rates.

5.1 Rate changes will be based on a 5-year trend analysis of PG&E rates, thereby smoothing sharp increases or decreases in rates.

6. The Districts must purchase firm power at a 65% "capacity factor." This capacity factor recognizes the City's need to balance its primary water supply obligations with its firm power commitments.

7. If the project dependable capacity (PDC) of the Hetch Hetchy project decreases, the City will reduce its obligation to the Districts. If PDC is decreased due to an "uncontrollable force," the City is obligated to meet the initial PDC for only 90 days.

8. If the City's municipal load increases, it will reduce its firm capacity commitments to the Districts by an equivalent amount.

9. Half of all excess energy generated by the Hetch Hetchy project may be served to the City's airport tenant customers. In the event excess energy is generated above that required by the Districts, the City may serve this energy to Norris Industries and PG&E assigned customers.

10. The rate for non-firm energy is the lower of the firm energy rate for Class 3 purchases or the rate available to the City under long term alternative non-firm sales agreements. The initial alternative rate is established at the energy cost adjustment clause (ECAC) or fuel cost component of an applicable PG&E rate approved by the California Public Utilities Commission. The ECAC rate is a very competitive rate at this time.

11. In the event of "uncontrollable forces" the City's performance under the contract will be excused under specified circumstances.



THE HONORABLE JIM GONZALEZ  
Chair, Finance Committee  
Board of Supervisors

4

November 5, 1992  
1508P

12. The Districts and City agree not to initiate, cause, support or engage in any attempt to frustrate the terms and conditions of this agreement or the integrity of the Raker Act.

13. If third parties cause impacts to either the contract or the Raker Act which diminish the benefits of the agreement, the parties agree to amend the agreement so as to realize the mutual benefits anticipated by the agreement.

#### OBLIGATIONS.

1. The City is committed to selling power to the Districts for a total of 30 years. The contract expires June, 2015.

2. Since the Districts are paying for firming services, the City must supply the Districts with Class 1 power even if it is not otherwise available from Hetch Hetchy.

3. The rate for Class 3 power will escalate based on a five-year trend analysis of PG&E rates. This will cause rate changes to lag somewhat, however it will have the impact of smoothing rates rather than causing sharp increases or decreases.

4. If excess capacity exists above the Hetch Hetchy project dependable capacity (PDC) of 260 MW, the Districts have the right to make use of it, but must pay the City for any additional costs incurred to serve airport tenants. Costs for other customers are not recoverable.

5. If the City increases the PDC of the Hetch Hetchy project, the Districts are entitled to purchase the increase in firm capacity.

6. The Districts have a right of first refusal to at least one-half of the available non-firm energy generated by the Hetch Hetchy project.

7. The Districts may use excess transmission capacity of the Hetch Hetchy lines to the extent such usage does not interfere with the City's use of the transmission facilities.

#### BENEFITS AND OBLIGATIONS FROM THE SUPPORT SERVICES CONTRACT WITH PG&E.

#### BENEFITS.

1. The contract with PG&E is for the same length of time as the contracts with the Districts.



2. PG&E must provide the City with the firming services City requests for City's municipal loads and firm sales to Districts.

3. Services from PG&E are on "if and as needed basis." There is no charge for services not used.

4. PG&E will provide supplemental power when Hetch Hetchy generation is not sufficient to meet its firm commitments or is needed for maintenance or emergency outages.

5. PG&E provides capacity reserve services for Hetch Hetchy for use during emergency and maintenance outages.

6. PG&E will provide up to 59.8 MW of capacity credits against purchases of supplemental power. The City/PG&E contract is the only PG&E contract which contains this provision.

7. In the event the City needs to purchase supplemental capacity in excess of the available capacity credit for District obligations, it will not be charged a premium for purchases during peak periods nor will it be required to pay for this capacity in months when it is not used. That is, there is no "ratchet." (The "ratchet" does apply to purchases for airport tenants and Norris Industries.)

8. The City obtained firm commitments for the transmission of Hetch Hetchy power to the City for municipal needs and the right to purchase up to 200 MW of transmission in order to meet future increases in the City's municipal load.

9. Disagreements over rates may be litigated before the Federal Energy Regulatory Commission (FERC) which limits rates to "cost of service," which includes the authorized rate of return.

10. If more economical energy is available from other sources, the City may purchase it without obligation or penalty to PG&E.

11. If more economical power or services are available from other sources, the City may purchase them subject to notifying PG&E, and PG&E may request contract renegotiation as a result of City's purchase decisions.

12. The City will be entitled to sell excess energy to PG&E's large industrial customers, i.e. "assigned customers." The City/PG&E contract is the only PG&E contract which contains this provision.





OBLIGATIONS.

1. The City must purchase capacity reserves from PG&E since at present PG&E is the only provider.

2. In the event City needs to purchase supplemental capacity for airport tenants or Norris Industries, a "ratchet" will apply which will raise the quantity of capacity which the City must purchase for these customers to the highest demand in the current month or the preceeding 11 months, which ever is greater.

3. The only available transmission and distribution path for the delivery of Hetch Hetchy power to the City for its municipal needs is through PG&E. The City must purchase and pay for these services.

4. Rates under the contract are subject to periodic renegotiation. (This issue is placed in the "obligation" category because it is expected that under normal circumstances rates will increase, not decrease.)

A.B.M./T.M.B.



Item 3 - File 100-92-9

**Note:** This item was continued from the November 4, 1992 Finance Committee meeting.

This item is a hearing to consider the City's efforts to secure anticipated revenues and fund transfers needed to balance the 1992-93 fiscal year budget for the City and County of San Francisco.

On October 27, 1992 a joint report was issued by the Mayor's Budget Office, the Controller and the Budget Analyst on the status of matters which are still pending action to balance the FY 1992-93 budget. These matters include the following:

Airport Advance - (\$25 million) Ms. Angela Gittens of the Airport reports that the airlines met on November 6, 1992 to further discuss revisions to the proposed agreement. A copy of the revised agreement is in the Board file. As of the writing of this report, Ms. Gittens indicates that all of the 19 airlines have agreed to the proposed arrangements regarding the \$25 million advance to the City.

PUC Equity Transfers and Land Sale - (\$7.2 million) These PUC funds include equity transfers from the Water Department (\$2.5 million), Hetch Hetchy (\$2.5 million) and the revenues from the sale of Water Department property to the Olympic Club (\$2.2 million). Mr. Ed Harrington, the City Controller, reports that agreement has been reached with the City Attorney regarding the PUC Equity Transfers and that the PUC is currently drafting the necessary documents to enable these fund transfers to occur.

Port Transfer - (\$1 million) The FY 1992-93 budget approved by the Board of Supervisors already includes the \$1 million transfer from the Port to the City's General Fund. However, the City Attorney has raised some questions regarding the legality of this transfer of funds, and is currently reviewing this issue. The City Attorney is anticipated to issue an opinion on this matter, in the immediate future.

On October 27, 1992, the Chair of the Finance Committee wrote a letter to Mayor Jordan requesting that these budget matters proposed by the Mayor as part of the 1992-93 budget be expedited by the Mayor's Office to enable the City's 1992-93 budget to be balanced.



Item 4 - File 198-92-3

**Department:** Municipal Court

**Item:** Resolution authorizing the appointment of a Commissioner for the San Francisco Municipal Court and assuming all costs as required by State Law.

**Description:** In 1992 the State legislature amended the State Government Code Section 70141 to allow the San Francisco Municipal Court to appoint one additional Commissioner position. The State Government Code is the embodiment of State legislative policy that regulates operations of the Municipal Courts and designates the number of Judges and Commissioners which each Municipal Court may appoint. Pursuant to State Law (Government Code and Code of Civil Procedure) a Commissioner may set bail for prisoners and may determine whether a prisoner may be released from custody on their own recognizance

In an effort to reduce overcrowding at the County Jails, the San Francisco Municipal Court is proposing to appoint one new Commissioner for the purpose of reviewing new cases to determine if the accused persons can be released on their own recognizance instead of being incarcerated in the County Jails while awaiting trial. The proposed new Commissioner position would be appointed for a six-month period as a pilot project to determine the extent that jail overcrowding could be reduced by having a Commissioner that would deal exclusively with own recognizance determinations. The function of reviewing cases for releasing on own recognizance is currently performed by a regular Judge on lunch hours and in the afternoons after the Judge's regular duties have been completed. According to the Municipal Court, the Judge's regular duties must be curtailed promptly at 4:00 P.M., in order for the Judge to have the time necessary to complete all own recognizance reviews, even when such curtailment is not convenient for the matter at hand. Presently there are ten Commissioners at the Superior Court who hear domestic relations, probate, civil and juvenile cases and three Traffic Referees at the Municipal Court who hear parking, moving protest and small claim cases. The Municipal Court would like to upgrade the Traffic Referees to Commissioner status in order to allow them to hear a greater variety of types of cases. There are currently no Commissioners at the Municipal Court. However, the proposed resolution is to establish one new Commissioner position.





The proposed new Commissioner's salary would be set at 85 percent of a Municipal Court Judge's salary, or at \$77,081 annually plus fringe benefits of approximately \$19,270. According to Mr. Gordon Park-Li, the Administrator of the Municipal Court, the Special Master appointed by the Federal Court to monitor the Jail Overcrowding Consent Decree (for the case of Stone vs. the City and County of San Francisco) has determined that the fines levied against the City for not complying with the Consent Decree (currently totaling approximately \$2.9 million) can be used as the source of funding for the proposed new Commissioner position and any, corresponding support staff service costs. However, Mr. Park-Li indicates that there would not be any additional costs for support staff services for the proposed new Commissioner position because such services are currently being performed by existing Municipal Court staff.

**Comments:**

1. The proposed resolution would simply establish the intent of the Board of Supervisors to establish one new Commissioner position. However, the proposed resolution would not amend the Annual Salary Ordinance to create a new position and would not amend the Annual Appropriation Ordinance to budget the funding for the new position. Therefore, if the Board of Supervisors approves this proposed resolution, the Municipal Court would then submit separate legislation to amend the Annual Salary Ordinance and to amend the Annual Appropriation Ordinance.

2. During the six month pilot project, the affects of the new Commissioner position on reductions in jail overcrowding will be assessed before the proposed new position would be requested as a permanent position in the Municipal Court's 1993-94 budget. Therefore, the proposed resolution should be amended to stipulate that the proposed new Commissioner is a limited term (L classification) position.

**Recommendations:** 1. Amend the proposed resolution to stipulate that the proposed new Commissioner is a limited term (L classification) position.

2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 5 - File 195-92-1.1

**Item**

This item is a request to consider a long-range plan to alleviate jail overcrowding.

**Consent Decree**

The City and County of San Francisco signed a Consent Decree in May, 1982 providing that, except for weekends and holidays, housing areas of the County Jail would not house more than their rated capacities (Stone versus the City and County of San Francisco, May, 1982). In October, 1988, the Federal Court which monitors the Consent Decree ordered that the City be fined \$300 per violation of the Consent Decree at County Jail #1, located in the Hall of Justice at 850 Bryant Street. A violation consists of each inmate each day above the rated capacity. The rated inmate capacity for County Jail #1 is 426.

According to the Sheriff's Department, in the past, the jail population of County Jail #1 has typically exceeded 426 three to four months each year. However, since FY 1991-1992, the jail populations have been higher than in other years. For the six month period of August 1, 1991 to February 1, 1992, the population of County Jail #1 exceeded its legal capacity 6,696 times, or an average of approximately 24 inmates over the legal capacity per day for 279 days.

For each violation of the Consent Decree, the City may be fined \$300. Any fines collected would be dedicated to alleviate jail overcrowding in San Francisco. Currently, \$2.79 million for fines from January 2, 1992 to August 30, 1992, is in escrow, pending a decision by the Court as to whether fines should be collected when stays of execution are in place. In addition, fines for September, 1992 of \$161,400, and for October, 1992 of \$280,000 are in escrow. These fines are not in dispute.

**Background**

San Francisco jails currently house two major groups of inmates: pre-trial felons; convicted, pre-sentenced felons; and sentenced misdemeanants. Because of jail overcrowding, the Sheriff's Department no longer holds inmates for other agencies, such as the Immigration and Naturalization Service, the Drug Enforcement Administration, or other counties, except for Federal prisoners from the U.S. Marshall. In general, all pre-trial misdemeanants are released on bail, on their Own Recognizance, through the Sheriff's Supervised Citation Project, or through the Pretrial Diversion Project, except for domestic violence cases. (The Pretrial Diversion Project consists of an opportunity for a first-time accused misdemeanor to complete an individual program, such as community service or classes; if the program is completed, charges are dropped.) Sentenced felons carry out their sentences at State or Federal prisons, unless they are sentenced to one year or less in jail. The Sheriff's Department is reimbursed for costs associated with Federal prisoners.



According to Mr. Dennis Aftergut of the City Attorney's Office, the Federal Court previously authorized the City to ameliorate jail overcrowding in two ways: (1) to release sentenced inmates at 70 percent of their sentences; and (2) with respect to pretrial detainees, under the Court's order, the Sheriff can cite out certain persons accused of misdemeanors who could otherwise not be cited out under State law. According to Mr. Aftergut, the Court-appointed monitor estimates that these provisions reduce the population in all four County jails by a total of 500 per day as of 1989. (The Court-appointed monitor has not made a more recent estimate.)

### *Pre-Trial Felons*

The portion of the San Francisco jail population which is pre-trial felons (77 percent) is higher than most California Counties. For example, according to the Santa Clara Department of Corrections, 50 percent of the Santa Clara County's jail population are pre-trial felons. Mr. Newton Lamb of the Mayor's Criminal Justice Council advises that most California counties' jail populations are approximately 50 percent pre-trial felons. Mr. Lamb reports that one reason San Francisco's pre-trial felon population is disproportionately high is that the Federal Court's jail population management programs, described in the preceding paragraph, are directed at the sentenced population. According to Deputy Babe Franey of the Sheriff's Department, the second reason for this disproportionately high pre-felon population is that 60 percent of sentenced prisoners complete their sentences in alternatives to incarceration, such as County Parole or Work Furlough.

Pre-trial felons may be released pending trial either through bail programs (only those accused of a capital offense, when the proof of guilt is evident or the presumption of guilt is great, are automatically ineligible for bail), or through the Own Recognizance Program, where pre-trial felons are interviewed and later evaluated for possible release on their own recognizance by the Court. According to Chief Arlene Sauser of the Adult Probation Department, Adult Probation has proposed a program for pre-trial felons, whereby such pre-trial felons could be released on probation with supervision 24 hours a day. Chief Sauser advises that with two Probation Officers and an electronic monitoring contract, the jail population could be reduced by 40 to 50 beds per day. Release of prisoners on their own recognizance is at the discretion of the Court, and use of a pre-trial felon probation program would be similarly discretionary.

### *Sentenced Misdemeanants*

Sentenced misdemeanants or felons on probation may carry out their sentences either in jail or through alternatives to incarceration programs. These alternative programs include the Work Furlough Program, the Electronic Monitoring Device Program, Substance Abuse Rehabilitation Programs, and the County Parole Program. Such alternatives to incarceration programs are used at the discretion of the Court, with the approval of the Sheriff. Chief Sauser advises that currently, approximately 5,000 misdemeanants are on probation. Sgt.





Richard Dyer of the Sheriff's Department advises that a new Work Furlough facility, including 320 beds, is currently under construction at the Hall of Justice. This facility is anticipated to be completed in early 1994, Sgt. Dyer reports.

### *Pre-sentenced Felons*

When an accused felon is convicted, the case is automatically continued 28 legal days for sentencing. During this period, the Adult Probation Department investigates the individual and makes recommendations for sentencing. In fiscal year 1991-1992, the Board of Supervisors approved and the Adult Probation Department implemented a program whereby the investigation period was accelerated from 28 days to 21 days. Two additional Probation Officers were hired. Thus, the average county jail stay between plea and sentencing for convicted felons was reduced from 28 days to 21 days.

As noted above, alternatives to incarceration programs are at the discretion of the Court, with the approval of the Sheriff. According to Sgt. Dyer, issues of public safety must be considered when releasing pre-trial felons, since social service agencies may define adequate supervision differently than the justice system. However, according to Mr. Irv Reichert of the Own Recognizance Program, the 19 Duty Judges vary significantly in their use of the Own Recognizance Program (OR). According to Mr. Reichert, the Duty Judges vary from 3 percent to 70 percent in their use of the OR Program. The only way the City can be absolutely assured that funding to relieve jail overcrowding will actually relieve jail overcrowding is by funding jail beds. However, as of the writing of this report, the Budget Analyst has not been provided with any hard documentation that alternative programs are underutilized. Sgt. Dyer advises that the Work Furlough Program, which includes 66 beds, is consistently used at capacity.

Renting jail beds is generally more costly than alternative programs. A rented jail bed in Alameda County costs \$63.10 per bed per day. By comparison, a bed in a Residential Rehabilitation Program can range from \$45 to \$85 per bed per day, depending on the facility, and the inmate receives drug rehabilitation services in addition to food and shelter. Work Furlough beds cost \$39.25 per bed per day; Electronic Monitoring costs \$30.25 per person per day, according to Sgt. Dyer. Many alternatives to incarceration programs provide more services than jails.

### Appropriations and Supplemental Appropriations

To alleviate jail overcrowding, in August, 1991 the Board of Supervisors approved a Supplemental Appropriation totalling \$500,000. That supplemental appropriation funded: (1) 862 work furlough beds to a private San Francisco agency; (2) expanding the County Parole Program to supervise 25 additional parolees; and (3) placing additional employees at County Jail #7 (San Bruno) to increase its capacity by 60. These programs have received funding in the FY 1992-93 budget.





Memo to Finance Committee  
November 18, 1992 Finance Committee Meeting

To further alleviate overcrowding, in March, 1992, the Board of Supervisors approved a supplemental appropriation of approximately \$1.8 million for the Sheriff's Department to rent jail beds in Alameda County, at a cost of \$63.10 per bed per diem. \$4,606,300 was included in the FY 1992-93 budget for such jail bed rentals, which would support 200 beds per day for 365 days. According to Deputy Franey, in fact, an average of 230 beds were rented per day through October 22, 1992, and an average of 240 beds have been rented per day since October 23, 1992. The Sheriff's Department has submitted a supplemental appropriation request to support these additional beds. (See below.)

In addition, funds for 10 beds at Walden House Residential Drug Treatment Program and 10 beds at Milestones residential drug treatment program were included in the FY 1992-93 budget. However, the Sheriff has used an additional 10 beds per day at Walden House, for a total of 20 beds, and an additional 15 beds per day at Milestones, for a total of 25 beds. The Sheriff's Department has submitted a supplemental appropriation request to support these additional beds. (See below.)

As noted in the paragraph entitled "Pre-sentenced Felons," above, in fiscal year 1991-1992 the Board of Supervisors approved a supplemental appropriation to hire two additional Probation Officers to reduce the investigation period for pre-sentenced, jailed felons from 21 days to 28 days. This program continues to be funded in the FY 1992-93 budget.

On November 2, 1992, the Sheriff submitted a supplemental appropriation request to the Mayor's Office for a total of approximately \$4.5 million. This \$4.5 million would fund the additional beds at Alameda County and at Walden House and Milestones, as well as the following:

Additional Rented Jail Beds in Alameda County

30 rented jail beds per day (\$63.10 per bed per day; 365 days)	\$690,945
10 additional rented jail beds per day (\$63.10 per bed per day; 251 days)	158,381
Unpaid balance for rented jail beds, FY 1991-92	72,565
Extra floor at Alameda County, including 121 beds plus San Francisco County personnel (approximately \$78 per day; 251 days)	<u>2,369,609</u>
Total rented jail beds in Alameda County	\$3,291,500

Residential Drug Treatment Beds

12 beds at Center on Juvenile and Criminal Justice (\$52 per day; 181 days)	112,944
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Memo to Finance Committee  
November 18, 1992 Finance Committee Meeting

50 beds at Eclectic Communications, Inc. (\$50 per day; 181 days)	452,500
20 additional beds at Walden House (\$60 per day; 273 days)	\$327,600
25 additional beds at Milestones (\$45 per day; 273 days)	<u>307,125</u>
Total Residential Drug Treatment Beds	1,200,169

Municipal Court Study

(to identify and evaluate risk assessment methods  
for release of pre-trial felons) 60,000

Total Supplemental Appropriation Request \$4,551,669

The Sheriff also submitted a supplemental appropriation request to the Mayor's Office in September, 1992, for \$800,000 for overtime. According to Deputy Franey, the Sheriff's Department has nearly depleted its budgeted overtime, because extra hours are required to transport prisoners to Alameda County and to manage the high numbers of inmates.

Neither supplemental appropriation request has been forwarded to the Board of Supervisors by the Mayor's Office.

Bond Measures

In November, 1992, the San Francisco electorate disapproved a proposition (Proposition B) authorizing a bond issue of \$158.1 million for the purpose of constructing replacement housing and associated health and safety improvements at the San Bruno jail (County Jail Numbers 3 and 7).

In November, 1990, the San Francisco electorate authorized \$16.5 million of Correctional Facilities Improvement Bonds (Proposition A), as the local match to \$39.5 million in State grants for the construction of a new jail medical facility, a larger work furlough facility, and for making health, safety and other improvements to the jails. These funds were expended to construct a new building in the Hall of Justice parking lot containing a new booking/release area, a centralized medical and psychiatric treatment and housing area for prisoners in the jail system, a work furlough program, and space for associated operational and administrative functions.

Past Reports

On June 20, 1991, the Criminal Justice Administrative Group (CJAG) submitted a long term overcrowding plan to the Federal Court, entitled San Francisco Jail Population Management Plan. This plan, which is apparently the only long term overcrowding plan that has been submitted to the Federal Court,



Memo to Finance Committee  
November 18, 1992 Finance Committee Meeting

was described to the Board of Supervisors in June, 1991 (File 195-91-2). The CJAG consists of representatives from the various City justice system departments, the Mayor's Office and the Department of Public Health. The CJAG plan included several proposals, which are in various stages of implementation. These include continued meetings and recommendations by CJAG, increased use of alternatives to incarceration programs, such as Own Recognizance, Pretrial Diversion, and use of County Parole,

In October, 1991, the 1990-91 Civil Grand Jury transmitted its Final Report, which included recommendations on the jails. The Grand Jury's recommendations included a continued commitment to the CJAG's overcrowding plan; that future Civil Grand Juries should monitor the progress of the Plan; and that a mechanism be created to alert the Sheriff and the CJAG if the Plan's projected bed savings assumptions are not being met.





Item 6 - File 101-92-8

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Supplemental Appropriation Ordinance to fund the Dispute Resolution Program for permanent salaries and professional special services contracts for the period from October 1, 1992, through September 30, 1993.

**Amount:** \$220,624

**Source of Funds:** Special Revenue Funds - Dispute Resolution Program (\$3.00 surcharge on various Municipal and Superior Court filing fees).

**Description:** In December of 1986, the City and County of San Francisco established a funding source for a Dispute Resolution Program in accordance with the State Dispute Resolution Programs Act of 1986 by adding a \$3.00 surcharge to various Municipal and Superior Court filing fees. By October 1988, sufficient funds from the surcharges had accumulated to fund a local Dispute Resolution Program as approved by the Board of Supervisors (Files 101-88-15 and 338-88-1). The Dispute Resolution Program provides an alternative to formal court proceedings for the settlement of disputes by assembling panels of specialists to hear the disputants' arguments and then to render a non-binding decision regarding the dispute.

The proposed supplemental appropriation would fund a continuation of the Dispute Resolution Program from October 1, 1992 through September 30, 1993, as follows:

Special Services Contract

Community Boards		
(1,156 cases* @ \$89/case)	\$102,875	
California Community Dispute		
Services (904 cases* @ \$97/case)	87,723	
California Lawyers for the Arts		
(100 cases* @ \$100/case)	<u>10,000</u>	
Total Contract Services		\$200,598

\* The number of cases to be provided was determined by dividing the available funding by the per case cost.



**MOCD Administration**

Senior Accountant (0.1 FTE)	\$4,453	
Senior Community Development Specialist (0.15 FTE)	6,812	
Supervising Community Development Specialist (0.05 FTE)	<u>3,531</u>	
Subtotal Salaries	\$14,796	
Fringe Benefits (at 20.375%)	3,015	
Other Overhead Costs (Share of clerical support, supplies, telephone, rent, etc.)	<u>2,215</u>	
Total - MOCD Administration		<u>\$20,026</u>
Program Total		\$220,624

**Comments:**

1. In Fiscal Year 1991-92, \$214,324 was appropriated for the Dispute Resolution Program.
2. The proposed Supplemental Appropriation Ordinance would extend the work programs for the existing contractors for an additional year, from October 1, 1992 through September 30, 1993. FY 1992-93 would be the fourth one-year extension of the three contractors. Because funding for the Dispute Resolution Program began on October 1, 1992, the proposed ordinance should be amended to authorize the MOCD to fund the Dispute Resolution Program retroactively.
3. A comparison of contractor cost per case between 1991-92 and 1992-93 for the three contracting agencies is as follows:

<u>Contractor</u>	<u>Cost Per Case</u>		
	<u>1991-92</u>	<u>1992-93</u>	<u>Increase/ Decrease</u>
Community Boards	\$92	\$89	(\$3)
California Community Dispute Services	100	97	(3)
California Lawyers for the Arts	100	100	0

According to Mr. Bernhard Gunther of the MOCD, Community Boards and California Community Dispute Services would be receiving \$3.00 less per hour in 1992-93 than in 1991-92 because funding available for their services was reduced in 1992-93. Because Community Boards and California Community Dispute Services receive the majority of the funding, they were asked to reduce their budgets, Community Boards and California Community Dispute



Memo to Finance Committee  
November 18, 1992

Services decided to reduce their hourly rates rather than reduce their caseloads.

**Recommendation:** Amend the proposed ordinance to authorize the MOCD to fund the Dispute Resolution Program retroactively as described in Comment 1. Approve the proposed ordinance as amended.



Item 7 - File 118-92-8

SEE ATTACHED REVISION (stapled to back of this report)

- Department:** Department of Public Health (DPH)
- Item:** The proposed ordinance would amend the Health Code by adding Article 25, Sections 1401 through 1413 to provide for a program for enforcement of the California Medical Waste Management Act and for registration, permitting, inspections and administrative fees for medical waste generators, treatment, and storage facilities.
- Description:** The proposed Medical Waste Generator Registration, Permitting, Inspection and Fee Ordinance (Medical Waste Ordinance) would regulate the storage, treatment, transportation, and disposal of medical waste within the City. The proposed ordinance would enable the City's DPH to regulate private and public medical waste generator agencies located in the City and County of San Francisco.
- The proposed ordinance contains a two page technical definition of "medical waste." Generally, "medical waste" is the discarded superfluous material from medical or veterinary agencies that may contain infectious disease organisms and, therefore, is a health threat to humans and animals. Used hypodermic needles, blood vials, bandages, and medical instruments are examples of medical waste.
- The ordinance would regulate the management of medical waste generated by various medical facilities including: hospitals, clinics, surgery centers, doctor's offices, veterinary offices, health care facilities, medical laboratories, and dental offices. Agencies having facilities that produce medical waste would be required to send to the DPH an informational document which includes general business information and information on the types and volumes of medical waste produced, medical waste handling, storage, treatment and disposal methods. The ordinance would require that medical waste could only be transported by State licensed hazardous waste haulers or certain medical waste generator agencies with limited hauling exemptions issued by the DPH.
- Agencies having facilities that treat medical waste generated on site would also be required to comply with specified provisions in the ordinance. Medical waste treatment is any method designed to destroy the biological hazard of medical waste so as to eliminate its potential for causing disease. The ordinance additionally would regulate the storage and transfer of medical waste by requiring permits for the





consolidation and use of common storage areas by a group of generators.

The proposed ordinance contains specific regulations for large and small quantity generator agencies and fees that would be paid to the City (estimated revenues are detailed in Comment number 4 below) as follows:

**Large quantity generators** agencies would be those agencies having facilities that generate more than 200 pounds of medical waste each month. (The proposed ordinance defines the constituents of "medical waste.") The proposed ordinance requires that large quantity generator agencies register with the DPH annually. In addition, the generator agency would be required to submit a Medical Waste Management Plan that includes general business information as well as information on the types and volumes of medical waste generated, medical waste handling, storage, treatment and disposal methods.

This group of generator agencies would be subject to inspection on an annual basis by the City to ensure compliance with State and City requirements. Mr. Scott Nakamura, the Hazardous Waste Project Manager for the DPH Bureau of Toxics, Health and Safety Services, estimates that there are 177 agencies in San Francisco that would fit the large quantity medical waste generator definition of the proposed ordinance. This large quantity medical waste generator group includes 83 agencies that currently have State medical waste licensed facilities and 94 unlicensed laboratories, veterinary offices, and medical offices. The proposed ordinance would require the payment of annual registration fees to the City by large quantity generators agencies. These annual registration fees would range from \$255 to \$1,445 according to the size and type of facility .

The proposed ordinance would require that **Onsite Medical Waste Treatment Facility Permits** be obtained from the DPH by large quantity generator agencies that want to treat and dispose of their own medical wastes. Large quantity medical waste generator agencies that want to treat their own medical wastes would be required to use approved methods which include the use of an autoclave, microwave, or incinerator. In addition, a health care facility accepting medical waste for treatment from small quantity generators located within 400 yards could do so as an onsite treatment facility.



Large quantity medical waste generator agencies wanting to obtain an onsite treatment permit would be required to submit an application containing business information, treatment method, facility treatment capacity, waste characterization, and estimated average monthly quantity of waste to be treated at the facility. Mr. Nakamura estimates that there are 21 agencies in the City that currently treat medical waste onsite. The annual permit fee for an onsite autoclave permit would be \$255 and the annual permit fee for all other State Approved treatment methods would be \$340. In addition, the Director of DPH would charge large quantity medical waste generator agencies wanting to obtain an onsite treatment permit a permit application fee equal to \$85 for each hour that DPH staff spends processing the permit application.

**Small Quantity Generators** would be those agencies having facilities that generate less than 200 pounds of medical waste each month. The proposed ordinance would regulate two subgroups of small quantity generator agencies. The two groups would include small quantity generator agencies that treat medical waste onsite and small quantity generators that do not treat medical waste onsite.

Small quantity generators that treat medical waste onsite would be required to register, file a medical waste management plan, and submit applicable fees to the DPH on a biennial basis. The approved treatment methods for onsite medical waste treatment would include the use of steam sterilization, incineration, and microwave methods. The management plan would be required to describe the method to be used to treat, transport, and dispose of the medical waste. In addition, this group of generator agencies would be subject to inspection by the City on a biennial basis to ensure compliance with State and City requirements. Small quantity generators that treat medical waste onsite would be required to pay a registration fee of \$255 every two years. Mr. Nakamura estimates that there are 15 agencies in the City that currently are small quantity generator agencies that treat medical waste onsite.

Small quantity generators that do not treat medical waste onsite are required by the ordinance to submit to the DPH an informational document that describes how the medical waste is handled, stored, transported, and disposed. In addition, the ordinance requires that small quantity generator agencies pay a one time non-registrant fee of \$75. Mr. Nakamura estimates that there are 1,600 small quantity



generator agencies that would be required to submit the informational document and one time fee.

**Limited Quantity Hauling Exemptions** would be required to be obtained from the DPH which would enable small quantity generator agencies to transport up to 20 pounds of medical waste per week. The medical waste would be required to be transported to a licensed medical waste treatment facility or transfer station before consolidation or treatment and disposal. Small quantity generator agencies applying for a Limited Quantity Hauling Exemption would be required to pay an annual fee of \$85. Mr. Nakamura estimates that there are 50 small quantity generator agencies that would request Limited Quantity Hauling Exemptions. Agencies that haul 20 pounds of medical waste per week or more would continue to be licensed and regulated by the State.

**Common Storage Facility permits** would be obtained from the DPH for small quantity generator agencies that want to store medical waste until it is picked up by a licensed hauler. The permit could be issued to the group of small quantity generator agencies, the property owner or management firm, or medical waste hauler. The fee for a Common Storage Facility permit would range from \$213 to \$425 depending on the number of generator agencies served by the storage facility. Mr. Nakamura estimates that there are 21 groups of small quantity generators agencies that would use common storage facilities.

The proposed ordinance would authorize the Director of the DPH to **enforce** the provisions of the California Medical Waste Management Act of 1990. Violations of the Act and ordinance would be subject to Cease and Desist Orders and Administrative penalties of up to \$1,000 per violation. Violations of an Order would constitute a misdemeanor and could be subject to civil action. Violations of storage, treatment, and disposal standards would vary from small quantity and large quantity generators. Generators violating these standards are subject to penalties ranging from \$1,000 for the first offense to no more than \$25,000 and/or three years imprisonment for multiple offenses. The Director of the DPH would also be authorized to take emergency actions when necessary to protect the public health or welfare. The Director of the DPH could also assess liens for costs and charges incurred by the City for the abatement of any imminent danger.

The proposed ordinance authorizes the City's Director of the DPH to enforce the provisions of the California Medical Waste





Management Act of 1990. Violations of the Act and ordinance would be subject to Cease and Desist Orders and Administrative penalties of up to \$1,000 per violation. Violations of an Order would constitute a misdemeanor and would be subject to a civil action.

Violations of storage, treatment, and disposal standards would vary for small quantity and large quantity medical waste generator agencies. Medical waste generator agencies violating these standards would be subject to penalties ranging from \$1,000 for the first offense to no more than \$25,000 and/or three years imprisonment for multiple offenses. The Director of the DPH would also be authorized to take emergency actions when necessary to protect the public health or welfare. The Director of the DPH could also assess liens for costs and charges incurred by the City for the abatement of any imminent hazardous waste danger.

**Comments:**

1. The State currently regulates the storage, treatment, transportation, and disposal of medical waste within the City and regulates private and public medical waste generator agencies located in the City and County of San Francisco. The DPH intends that the proposed ordinance would give the DPH control over medical waste in the City to better assure that the biological character of medical waste can either be isolated or eliminated so as to prevent medical waste from causing disease in humans or animals. The DPH believes that it can do a better job to assure the safety of medical waste in the City than can the State.

2. The California Medical Waste Management Act of 1990 authorizes local agencies, such as the City, to establish a medical waste regulatory program through the adoption of a local medical waste management ordinance. According to Mr. Scott Nakamura, the Hazardous Waste Project Manager for the DPH Bureau of Toxics, Health and Safety Services, the State Department of Health Services currently administers the regulations contained in this act and, thereby, currently is responsible for regulating private and public facilities located in the City that create, produce, or generate medical wastes. Mr. Nakamura states that the State Department of Health Services is not adequately staffed to respond to the City's local concerns.

3. According to Mr. Nakamura, "the benefits of local implementation of the Medical Waste Management Program include local control over the identification and correction of problems related to the improper management of medical waste, faster response to incidents of improperly managed



medical waste, the ability to address occupational safety and health issues at medical facilities, increased communication with medical waste generators, and coordination of local policies which would minimize public health concerns. The implementation of such a local program would also ensure that registration and permit fees, which would otherwise be submitted to the State, would stay in San Francisco."

4. The following table lists the one-time and annual fees that would be charged for each type of agency and activity:

<u>Type of Agency</u>	<u>Number of Beds</u>	<u>Number of Agencies</u>	<u>Frequency of Payment</u>	<u>Fee</u>	<u>Annual Revenue</u>	<u>One Time Revenue</u>	<u>Total First Year Revenue</u>
<b><u>Large Quantity Generator</u></b>							
Hospital	1 to 99	3	Annual	\$ 510	\$ 1,530		
Hospital	100 to 199	1	Annual	765	765		
Hospital	200 to 250	1	Annual	1,020	1,020		
Hospital	251 plus	12	Annual	1,445	17,340		
Skilled Nursing Facility	1 to 99	14	Annual	255	3,570		
Skilled Nursing Facility	100 to 199	4	Annual	340	1,360		
Skilled Nursing Facility	200 plus	1	Annual	425	425		
Specialty Clinic		31	Annual	595	18,445		
Acute Psychiatric Hospital		2	Annual	595	1,190		
Intermediate Care Facility		1	Annual	595	595		
Primary Care Clinic		12	Annual	595	7,140		
Health Care Service Plan		5	Annual	595	2,975		
Licensed Clinical Laboratory		38	Annual	255	9,690		
Veterinary Offices		6	Annual	255	1,530		
Medical Office*		46	Annual	255	11,730 *		
<b><u>Small Quantity Generator</u></b>							
On-Site Treatment		15	Biennial	255	1,913		
Off-Site Treatment		1,600	One-time	75		\$120,000	
<b><u>Haulers</u></b>							
Limited Quantity Hauling Exemption		50	Annual	85	4,250		
Transfer Fee*		1			595 *		
<b><u>Common Storage Facility Permits</u></b>							
10 or less Agencies Served		6	Annual	213	1,278		
11 to 49 Agencies Served		10	Annual	340	3,400		
50 or more Agencies Served		5	Annual	425	2,125		



Memo to Finance Committee  
November 18, 1992

<u>Type of Agency</u>	<u>Number of Beds</u>	<u>Number of Agencies</u>	<u>Frequency of Payment</u>	<u>Fee</u>	<u>Annual Revenue</u>	<u>One Time Revenue</u>	<u>Total First Year Revenue</u>
<u>On-Site Medical Waste Treatment Facility</u>							
Autoclave Treatment		20	Annual	255	5,100		
Other Treatment		1	Annual	340	340		
Processing Fee (estimate 30 hours)				\$35/Hr.	1,050		
Totals					<u>\$99,356</u>	<u>\$120,000</u>	<u>\$219,356</u>

\* The proposed ordinance does not currently contain full provision for these fees. The DPH is working with the City Attorney's Office to amend the proposed ordinance to include mortuaries under the definition of medical offices and to make provision for a transfer fee of \$595 annually. The transfer fee would be charged to haulers operating a transfer station at which medical wastes are consolidated and transferred to another hauler's vehicle.

5. The California Medical Waste Management Act allows counties to charge fees necessary to implement a medical waste management program. A comparison of the proposed fees for the City and County of San Francisco, the State of California, and five other counties that have already implemented medical waste management programs is contained in the attached schedule.

6. Mr. Nakamura projects the annual costs for the implementation of the proposed Medical Waste Program to be \$213,458. These implementation costs include personnel costs of \$135,432 and non-personnel costs of \$78,026 as follows:

Personnel Costs

<u>Classification</u>	<u>FTE</u>	<u>Annual Salaries</u>
6122 Senior Environmental Health Inspector	1.0	\$ 66,240
1446 Secretary II	<u>1.0</u>	<u>39,566</u>
Salary subtotal	2.0	\$105,806
Mandatory Fringe Benefits (@ 28%)		<u>29,626</u>
Total Personnel Costs		\$135,432

Operating Costs

Auto Mileage	\$ 1,000
Travel	500
Training	<u>2,000</u>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
November 18, 1992

Contractual Services (Emergency Response)	22,000
Other Current Services	2,000
Vehicle	5,000
Postage (3 mailings by registered mail)	17,500
Telephone	1,500
Materials and Supplies	6,000
Rental of Property	5,336
Data Processing Equipment	7,500
Reproduction	6,690
Medical Surveillance	<u>1,000</u>

Total Operating Costs 78,026

Total Cost \$213,458

7. The Senior Environmental Health Inspector position would determine the inventory of businesses subject to the ordinance, develop letters of notification, application packets, fact sheets, standard operating procedures, inspection forms, enforcement procedures, fee collection procedures, review medical waste management plans and informational documents, and conduct inspections of facilities subject to the ordinance. In addition, this position would conduct business workshops for the regulated community to assist them in complying with the requirements of the ordinance. The Senior Clerk Typist would provide clerical support for the program.

8. The above annual costs for the implementation of the proposed Medical Waste Program include the staffing and operating costs associated with the processing of applications, development of application forms, notifications of permit requirements, review of applications and required documentation, inspection of medical waste generators, issuance of permits, development and distribution of fact sheets, newsletters, and other educational materials.

9. The costs to implement the program would be entirely funded by the projected revenue of \$219,356 from registration and permit fees. The proposed ordinance provides for an inspection fee of \$85 per hour or each portion thereof for inspections and associated activities. Prior to the issuance of permits, medical waste generator agencies may be inspected by DPH staff to ensure compliance with State and City requirements.

10. According to Mr. Nakamura, after the initial year of operation of the proposed Medical Waste Program, various

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





initial costs of the Program could be eliminated or reduced. For example, vehicle, postage and data processing expenses could be reduced significantly. Mr. Nakamura estimates that the annual ongoing cost of the proposed Medical Waste Program would be approximately \$30,000 less than the cost of the initial year of operation or \$183,458.

11. As stated above, the estimated revenues of \$219,356 from the fees contained in the proposed ordinance would support the \$213,458 estimated cost of the first year's operation of the proposed Medical Waste Program. However, the estimated revenues of \$99,356 from the fees earned in the subsequent years of the Program would not support the \$183,458 estimated cost of the annual ongoing operation of the proposed Medical Waste Program.

12. In order to hire the staff and expend funds to implement the proposed Medical Waste Program, DPH must submit a supplemental appropriation including the Controller's certification of funds available from the proposed new fees to appropriate the funds and an ordinance to amend the Annual Salary Ordinance to create the new positions. In addition, the collection of the proposed fees by the City would require the hiring of staff to perform the requisite inspections. The supplemental appropriation and the ordinance to amend the Annual Salary Ordinance should be companion legislation to this file since none could be appropriately implemented without the others. Mr. Nakamura has indicated to the Budget Analyst that he does have a plan to fund the ongoing cost of the proposed Program but has not finalized his plan.

**Recommendation:** Continue the consideration of this item pending 1) the submission of a companion supplemental appropriation and an ordinance to amend the Annual Salary Ordinance, 2) the Department's clarification of second and subsequent years' funding, and 3) the revision of the proposed ordinance reflecting the specific intentions of the Department including fees for mortuaries and medical waste hauler transfer fees.

The adoption of the proposed ordinance that would create an additional new program responsibility for the City including new fees and the need for additional staff and operational costs is a policy matter for the Board of Supervisors.



MEDICAL WASTE FEE COMPARISON						Attachment	
	SAN FRANCISCO	SANTA CLARA	ORANGE	ALAMEDA	MARIN	CONTRA COSTA	STATE OF CALIFORNIA
LARGE QUANTITY GENERATORS							
ACUTE CARE HOSPITALS							
1-99 BEDS	\$510.00	\$600.00	\$722.00	\$503.00	\$600.00	\$600.00	\$600.00
100-199 BEDS	\$765.00	\$860.00	\$938.00	\$704.00	\$860.00	\$860.00	\$860.00
200-250 BEDS	\$1,020.00	\$1,100.00	\$1,239.00	\$1,106.00	\$1,000.00	\$1,000.00	\$1,000.00
251 OR MORE BEDS	\$1,445.00	\$1,400.00	\$1,557.00	\$1,106.00	\$1,400.00	\$1,400.00	\$1,400.00
SPECIALTY CLINIC (SURGICAL, DIALYSIS, ETC)	\$595.00	\$350.00	\$368.00	\$503.00	\$350.00	\$350.00	\$350.00
ACUTE PSYCHIATRIC HOSPITAL	\$595.00	\$200.00	\$206.00	\$503.00	\$600.00	\$200.00	\$200.00
INTERMEDIATE CARE FACILITY	\$595.00	\$300.00	\$336.00	\$503.00	\$300.00	\$300.00	\$300.00
PRIMARY CARE CLINIC	\$595.00	\$350.00	\$368.00	\$503.00	\$350.00	\$350.00	\$350.00
CLINICAL LABORATORY	\$255.00	\$200.00	\$213.00	\$503.00	\$200.00	\$200.00	\$200.00
HEALTH CARE SERVICE PLAN FACILITY	\$595.00	\$350.00	\$368.00	\$503.00	NA	\$350.00	\$350.00
VETERINARY CLINIC OR HOSPITAL	\$255.00	\$200.00	\$368.00	\$503.00	\$200.00	\$200.00	\$200.00
MEDICAL/DENTAL OFFICE (200 OR MORE POUNDS/MONTH)	\$255.00	\$200.00	\$213.00	\$503.00	\$200.00	\$200.00	\$200.00
HOME HEALTH SERVICE (NURSING, INFUSION SERVICES, ETC)	\$255.00	\$200.00	\$213.00	\$503.00	NA	\$200.00	\$200.00
FOLLOW UP INSPECTIONS, INVESTIGATIONS, AND CONSULTATIONS (HOURLY RATE)	\$85.00	\$0.00	NA	\$67.00	\$75.00	\$80.00	NA
AUTOCLAVE TREATMENT PERMIT	\$255.00	\$300.00	\$496.00	NA	\$200.00	NA	NA
INCINERATOR TREATMENT PERMIT	\$340.00	\$300.00	\$496.00	NA	\$200.00	NA	NA
PERMIT APPLICATION REVIEW FEE (HOURLY RATE)	\$85.00	\$0.00	NA	\$67.00	\$75.00	\$80.00	NA
SMALL QUANTITY GENERATORS (LESS THAN 200 POUNDS/MONTH, TREAT ONSITE)	\$128.00	\$100.00	\$496.00	\$134.00	\$100.00	\$100.00	\$50.00
NONREGISTRANT FEE (ONE TIME)	\$75.00	\$25.00	NA	\$0.00	\$75.00	\$25.00	\$0.00
LIMITED QUANTITY HAULING EXEMPTION	\$85.00	\$0.00	NA	\$101.00	\$75.00	\$50.00	\$0.00
COMMON STORAGE FACILITY PERMIT FEE							
SERVING 2-10 GENERATORS	\$213.00	\$100.00	\$105.00	\$201.00	\$150.00	\$100.00	\$100.00
SERVING 11-49 GENERATORS	\$340.00	\$250.00	\$263.00	\$201.00	\$250.00	\$250.00	\$250.00
SERVING 50 OR MORE GENERATORS	\$425.00	\$500.00	\$561.00	\$201.00	\$500.00	\$500.00	\$500.00
INPATIENT FACILITIES							
1-99 BEDS	\$255.00	\$275.00	\$306.00	\$503.00	\$600.00	\$275.00	\$275.00
100-199 BEDS	\$340.00	\$350.00	\$377.00	\$704.00	\$860.00	\$350.00	\$350.00
200 OR MORE BEDS	\$425.00	\$400.00	\$446.00	\$1,106.00	\$1,000.00	\$400.00	\$400.00
TRANSFER STATION	\$595.00	\$500.00	\$561.00	\$603.00	NA	\$500.00	\$500.00



Item 8 - 260-92-1

**Item:**

Resolution urging the transfer of two City remittance banking accounts from the Bank of America, urging the transfer of City revolving banking accounts from the Bank of America, urging that Bank of America not be used for the City's proposed direct payroll deposit program, and urging all officers and employees of the City and County, when given the opportunity to utilize the services of a financial institution for the City, to consider the use of financial institutions other than the Bank of America.

**Description:**

The Bank of America has recently reinstated its corporate donations to the Boy Scouts of America. In the past, the Boy Scouts of America has announced a policy to deny membership to homosexual persons.

The proposed resolution contains a finding that, although the Bank of America has stated that the Boy Scouts of America no longer discriminates on the basis of sexual orientation, a contrary public record exists to indicate that, in fact, the Boy Scouts of America does discriminate on the basis of sexual orientation.

The proposed resolution states that the actions of the Bank of America in providing financial support to the Boy Scouts of America is inconsistent with the City's non-discrimination policies and with its policy not to do business with entities whose policies foster and encourage discrimination against any of the residents of San Francisco.

Therefore, the proposed resolution urges the following:

- That two City remittance banking accounts be transferred from the Bank of America.
- That the City's revolving bank accounts be transferred from the Bank of America.
- That the Bank of America not be used for the City's proposed direct payroll deposit program.
- That all officers and employees of the City and County consider the use of financial institutions other than the Bank of America to conduct City business.





According to the Clerk of the Board, the sponsor of the proposed resolution has asked that consideration by the Finance Committee be continued until December 2, 1992.

**Comments:**

1. According to the City Treasurer, Ms. Mary Callanan, the City's two remittance accounts cited in the proposed resolution consist of two lock-box remittance accounts which were recently transferred to the Bank of America from another financial institution. Ms. Callanan states that these two lock-box remittance accounts are among three such accounts for which the City is currently soliciting competitive bids from financial institutions.

A lock-box account involves the remittance of payments to the City of San Francisco through a post office box, which is attended by the financial institution to which the deposits are made. This system eliminates the need for preliminary processing by City employees and permits receipts to be expeditiously deposited to the City's accounts.

2. The proposed resolution also urges the transfer of the City's revolving bank accounts. According to the Treasurer's report to the Board of Supervisors of September 18, 1992, City departments maintain approximately 85 separate checking accounts, of which 25 are with the Bank of America. The report estimates that these 25 checking accounts had a combined balance in September 1992 of \$615,100. The Treasurer's list of these 25 accounts is attached to this report.

Ms. Callanan states that departments exercise their discretion in selecting a bank for any revolving accounts which are under their control. Ms. Callanan states that revolving accounts which are held with the Bank of America tend to be less costly to the departments, since the fees for these accounts can be paid from the interest on the City's large compensation account with the Bank of America (see Comment 3).

3. According to the Treasurer's September 18, 1992 report, the City maintains a compensating balance account with the Bank of America which contains funds transferred to or from many smaller accounts. The compensating balance account has an average daily balance of \$37.5 million, according to the Treasurer's report, and the interest which accrues to the City from this account is used to pay the cost of numerous banking services, including the fees for the 25 revolving accounts with the Bank of America which are held by individual City departments.



4. The proposed resolution would also urge that the Bank of America not be used for the City's proposed direct payroll deposit program. The City Controller, Mr. Ed Harrington, states that although the development of a direct payroll deposit program has been considered, efforts will not be made to implement such a program at least until the spring or summer of 1993. Mr. Harrington states that the City would select a bank to provide these services through a competitive bidding procedure.

**Recommendation:**

1. Continue the proposed resolution to December 2, 1992 as requested by the sponsor of the proposed resolution.
2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.



## APPENDIX A-1

CITY DEPARTMENTS  
BANK ACCOUNTS  
BANK OF AMERICA(CHECKING ACCOUNTS ORIGINATED BY INDIVIDUAL DEPARTMENTS -  
SERVICE CHARGES PAID FOR BY TREASURER'S ANALYSIS PROGRAM)

<u>DEPARTMENT</u>	<u>BANK LOCATION</u>	<u>AVERAGE OR LATEST BALANCE</u>
ADULT PROBATION	1 Powell Street	\$ 650.
AIRPORTS COMMISSION	S.F.I.A.	10,000.
ASIAN ARTS MUSEUM	800 Irving	1,000.
CITY ATTORNEY	1 Powell Street	65,000.
COMMISSION ON THE AGING	1525 Market	300.
CORONER	345 Montgomery 1525 Market	19,900. 500.
PUBLIC LIBRARY	1 Powell Street	5,000.
HETCH HETCHY	1 Powell Street	7,500.
WATER DEPARTMENT		
Damage Claim	1 Powell Street	1,200.
Consumer Adjustment	1 Powell Street	25,000.
Consumer Deposit	1 Powell Street	-0-
Regular	1 Powell Street	58,000.
S.F. GENERAL HOSPITAL		
Revolving	2850 - 24th Street	38,200.



## APPENDIX A-2

CITY DEPARTMENTS  
BANK ACCOUNTS  
BANK OF AMERICA(CHECKING ACCOUNTS ORIGINATED BY INDIVIDUAL  
DEPARTMENTS - SERVICE CHARGES PAID BY DEPARTMENTS)

<u>DEPARTMENT</u>	<u>BANK LOCATION</u>	<u>AVERAGE OR LATEST BALANCE</u>
AGRICULTURE	2090 Jerrold	\$ 400.
Weights & Measures		
Farmers Market	2090 Jerrold	200.
DEPARTMENT OF ELECTRICITY & BUREAU OF TELECOMMUNICA- TIONS	2090 Jerrold	2,000.
LAGUNA HONDA HOSPITAL		
Patients Trust Fund	288 West Portal	32,000.
POLICE DEPARTMENT		
Contingency Fund A	1 Powell Street	3,000.
Contingency Fund B	1 Powell Street	217,000.
Revolving	1 Powell Street	7,000.
PORT OF SAN FRANCISCO	1 Market Plaza	69,000.
PUBLIC DEFENDER	345 Montgomery	250.
MUNICIPAL RAILWAY	4141 Geary	17,000.
S.F. GENERAL HOSPITAL		
Patient Account	2850 - 24th Street	35,000.





Items 9 and 10 - Files 97-92-61 and 172-92-15

**Note:** These items were continued from the November 9, 1992 Recessed Finance Committee Meeting.

**Departments:** Chief Administrative Officer (CAO)

**Items:** File 172-92-15, a proposed ordinance, contains the following provisions:

- (1) Approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate (including certain indemnities and the release of the seller contained therein);
- (2) Approving and authorizing (a) an assignment of purchase for sale of real estate; (b) a facilities lease (including certain indemnities contained therein); (c) a trust agreement (including certain indemnities contained therein); and (d) an official statement;
- (3) Authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco Certificates of Participation (1660 Mission Street Project) Series 1993;
- (4) Authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval;
- (5) Authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the Certificates of Participation; and
- (6) Adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property.

File 97-92-61 is a proposed ordinance amending the San Francisco Administrative Code by adding Chapter 10F thereof to establish a surcharge on plan, permit, environmental review, and related fees to recover costs for acquiring office space at 1660 Mission Street.

**Location:** 1660 Mission Street

**Purpose of Purchase:** To purchase a building as a location for a "One Stop Permit Shop" for building permits, i.e., to consolidate Bureau of Building Inspection, Planning Department, and Fire Department permit processes at a single location.

**Seller:** Paul B. Andrew, bankruptcy trustee appointed by the court to oversee the asset

**Developer:** The Derringer Group

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**BUDGET ANALYST**



**No. of Sq. Ft.:** 97,536 gross square feet; 66,987 net rentable square feet

**Total Cost:** \$5,700,000  
(\$85.09 per net rentable square foot; however, see Comment 11 regarding an additional cost of \$3.5 million for tenant improvements)

**Source of Funds:** Surcharge on plan, permit, environmental review, and related fees, collected by various departments, to support debt service for Certificates of Participation

**Description:** Currently, persons or companies wishing to build or remodel in San Francisco must visit up to four locations to receive permit approval: City-owned 450 McAllister, which houses the Department of City Planning, the DPW Bureau of Building Inspection, and certain Fire Department employees with permit responsibility; City Hall, which houses the DPW Division of Surveys and Maps; leased space at 524 Golden Gate, which houses employees of the Bureau of Building Inspection responsible for Plumbing and Electrical Permits; and leased space at Fox Plaza, which houses the code enforcement portion of the DPW Bureau of Building Inspection.

The proposed ordinance would support the purchase of 1660 Mission Street, an office building containing 66,987 rentable square feet of unfinished space, at a cost of approximately \$5.7 million. The building would be used to establish a "One Stop Permit Shop" (i.e., to consolidate Bureau of Building Inspection, Planning Department, and Fire Department permit processes at a single location instead of in the four current locations). 1660 Mission Street was completed to core and shell condition in mid-1991 and is a six-story steel frame office building with a one level subterranean garage. Included in the purchase price of this building is an adjacent vacant lot containing approximately 5,080 square feet, which will be used for parking.

The proposed purchase of 1660 Mission Street is to be financed with Series 1993 Certificates of Participation. Certificates of Participation are proportionate interests in the lease-purchase of property, which are sold to investors. The investors would receive a return on their investment through the lease payments made by the City. The City would assign its rights under the Purchase and Sale Agreement to a trustee, who would issue the Certificates of Participation. The City would then be obligated to make lease payments to the trustee to repay the holders of the Certificates of Participation.



To support these Certificates of Participation, the CAO proposes to implement a surcharge on the following categories of fees:

- (a) Plan Review Fees;
- (b) Building Code Fees;
- (c) Public Works fees;
- (d) Planning Code fees;
- (e) Administrative Code fees.

All of these fees would be increased, through a surcharge, as follows:

- (1) 3 percent for the period commencing July 1, 1993 through June 30, 1995;
- (2) a total of 4.5 percent for the period commencing July 1, 1995 through June 30, 2000; and
- (3) a total of 6.5 percent for the period commencing July 1, 2000 through June 30, 2005.

Effective July 1, 2005, the surcharge would expire.

The exact amount of the increase in fees, representing a surcharge, would vary depending on the size and complexity of the project, Mr. Larry Litchfield of the Bureau of Building Inspection reports. Based on estimated average sizes for small, medium and large jobs, Mr. Don McConlogue of the BBI reports that this surcharge would result in the following dollar costs:

- (1) 53 percent of permits consist of small residential projects, with an average value of \$5,800. Such projects would result in a surcharge of \$4.53 in the first period; \$6.80 in the second period; and \$9.82 in the third period;
- (2) 42 percent of permits consist of medium sized residential or commercial projects, with an average value of \$47,000. Such projects would result in a surcharge of \$42.83 in the first period; \$64.25 in the second period; and \$92.80 in the third period;
- (3) .1 percent of permits consist of large commercial projects, with an average value of \$402,000. Such a project would result in a surcharge of \$198.88 in the first period, \$298.32 in the second period; and \$430.90 in the third period.

Mr. McConlogue reports that the remaining approximately 5 percent of permits include miscellaneous projects whose fees are consistent with the fees noted above.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





Fees are based on the valuation of a construction project, Mr. McConlogue advises. According to Mr. Fred Weiner of the CAO's Office, these surcharges are structured so as to result in revenues equal to the total debt service over the financing period, including the purchase price of the building, at \$5.7 million, and tenant improvements, at \$3.5 million, for a total of \$9.2 million plus financing costs of approximately \$1.87 million, for a total of \$11.07 million plus interest.

**Comments:**

1. According to Mr. Litchfield, 1660 Mission includes six floors, which would be used as follows:

*First Floor:*

to include 95 parking spaces, to be made available for public parking; and public information booths where seven employees would provide information regarding the status of an application, code interpretations, zoning and Fire Code information, etc.

*Second Floor:*

to include the permit center and the construction services center.

*Third and Fourth Floor:*

to include the building, electrical, plumbing, housing and code enforcement sections, including all inspectors.

*Fifth Floor:*

to include the administrative offices for the various applicable departments.

*Sixth Floor:*

to include offices for agency heads, Planning Commission meeting rooms, employee meeting rooms, other meeting room space, and an employee lunch room. (Note: The Budget Analyst questions the necessity of a lunch room.)

2. Mr. Weiner advises that approximately 300 employees, now occupying the four different locations noted in the description above, would relocate to 1660 Mission Street. According to Mr. DeLucchi, Director of Property, 450 McAllister consists of approximately 40,000 square foot, while the remaining three locations consist of approximately 8,300 square feet, for a total of 48,300 square feet. 1660 Mission Street contains 66,987 rentable square feet, representing an increase of 18,687 square feet, or approximately 39 percent. Each employee would occupy an average of 223 square feet, including a portion of public meeting rooms and interview rooms, whereas presently each employee occupies an average of 146



square feet. Mr. DeLucchi advises that current conditions are overcrowded, and that the new space would also include meeting and interview rooms not currently in place.

3. Mr. Litchfield anticipates a 20 percent improvement in efficiency as a result of the proposed "One Stop Permit Shop." This 20 percent improvement in efficiency is based on the experiences of Phoenix, Arizona, and San Diego, California, where the consolidation of permit processing has resulted in a 20 percent reduction in permit processing time. However, there is no documentation as to the percentage of efficiency that would be achieved in San Francisco. Mr. Litchfield advises that, based on meetings with permit applicants, most permit applicants who have been in contact with the departments have indicated a willingness to pay increased fees in exchange for reduced permit processing time. However, there is no documentation as to whether such applicants, who have been in contact with the various departments, are representative of all of the applicants on an annual basis. Currently, permit processing time takes from one day for small remodeling projects, such as kitchen remodeling, reroofing, or window replacement, to 90 days for large construction projects.

4. Mr. Litchfield advises that because of the increased efficiency, the various departments would be able to process a larger number of permits in the proposed new building with the same number of employees. Therefore, the proposed new building would accommodate any growth in permit requests in future years, Mr. Litchfield reports.

5. According to Mr. Litchfield, if the proposed "One Stop Permit Shop" is established at 1660 Mission, the permit application process would be restructured. Instead of applicants submitting applications in writing which are later reviewed by permit processors, applicants would meet with permit processors to review applications in person. This new process is anticipated to result in substantial increased efficiencies beyond the anticipated 20 percent increased efficiency noted above, Mr. Litchfield reports.

6. Mr. Litchfield reports that, in accordance with a 1989 recommendation by the Budget Analyst, permit processing has already been somewhat consolidated into a Construction Services Center at 450 McAllister. The Construction Services Center consists of two City Planning employees, two Fire Department employees, and two Surveys and Mapping employees who provide information to the public. Mr. Litchfield advises that this consolidation has resulted in the ability to issue permits over the counter for small residential



improvement projects. However, due to space limitations at 450 McAllister, most employees who carry out permit processing functions are located on a number of different floors. As of the writing of this report, the Budget Analyst has not been provided with any documentation regarding increased efficiency as a result of the Construction Services Center.

7. According to Mr. Weiner, savings from terminating the lease at 524 Golden Gate and at Fox Plaza would total approximately \$128,868 per year, including \$46,068 for Fox Plaza and \$82,800 at 524 Golden Gate. Mr. Weiner advises that these leases will terminate prior to the proposed occupation of 1660 Mission Street. Future additional rental costs would be avoided when the employees were moved to 1660 Mission Street from the City-owned 450 McAllister, because this would enable City Hall employees to relocate to 450 McAllister during seismic renovations at City Hall, instead of relocating to rented spaces, Mr. Litchfield advises.

8. Mr. Weiner reports that the CAO had previously considered constructing a new building on the City-owned 450 McAllister site and adjoining lots. However, Mr. Weiner advises that the cost of constructing a new building at that site would be approximately \$60 to \$70 million. That site is now proposed as a possible location for a new courthouse, to be funded from the Courthouse Construction Fund, Ms. Kate Harrison of the Superior Court advises.

9. Mr. Litchfield reports that several alternative locations were investigated for possible rental rather than purchase, including the Coca Cola Building on 11th Street, 614 Van Ness at Golden Gate. However, these buildings would be costly to rent. In addition, these buildings are not seismically sound or handicapped accessible, and would therefore require substantial improvements, Mr. Litchfield reports. According to Mr. DeLucchi, 1660 Mission Street was constructed in accordance with the seismic safety standards as set forth in the 1979 Uniform Building Code, as mandated by the Board of Supervisors in January, 1984. The building is also handicapped accessible, in accordance with Title 24 of the State Code.

10. According to Mr. DeLucchi, construction on 1660 Mission began four years ago. One year ago, after the Darringer Group declared bankruptcy, the building came into the jurisdiction of the bankruptcy court. The City has negotiated to pay \$5,700,000 for 1660 Mission, less outstanding fees owed to the City in the amount of \$455,000 for affordable housing.





These fees would be paid by the City from an escrow account. The seller would receive the remaining \$5,245,000.

11. If the proposed ordinance is approved, Mr. Litchfield anticipates that tenant improvements would be completed and the building could be occupied by January 1, 1994. Such tenant improvements would cost approximately \$3.5 million. The estimated \$3.5 million in tenant improvements would be in addition to the proposed purchase price of \$5.7 million, for a total acquisition price for 1660 Mission Street of \$9.2 million, which would be paid from the Certificates of Participation plus interest. Tenant improvements consist of constructing walls, partitions, installing heat, ventilation, and air conditioning, carpeting, etc. Moving costs are included in the budget for tenant improvements, Mr. Weiner reports. The funds for these tenant improvements would come from the sale of the Certificates of Participation noted above, which would be repaid from the fee surcharges.

12. According to Mr. DeLucchi, tenant improvements would need to be completed at any facility occupied by the City. The cost of such improvements would vary based on the negotiations with the seller or renter, according to Mr. DeLucchi.

13. Mr. DeLucchi advises that the cost to the City of constructing a new building comparable to the present 1660 Mission Street building is estimated to be approximately \$11,803,900, (including approximately \$10,725,000 (based on \$110 per gross square foot times approximately 97,500 square feet) for the building alone, plus approximately \$1,078,800 for the land (based on \$60 per square foot times 17,980 total square feet of land)) or over twice the cost of the proposed acquisition of 1660 Mission Street for \$5,700,000. Tenant improvements, which are budgeted for 1660 Mission at approximately \$3.5 million in addition to the purchase price, would be in addition to construction and land costs for a new building. Therefore, the estimated cost of constructing a new building is approximately \$15,303,900 plus interest (assuming that tenant improvement costs for a new building would be \$3.5 million), or approximately \$6,103,900, or 66 percent more than purchasing 1660 Mission Street, which is estimated to cost \$9.2 million, including tenant improvements. Financing costs for this new building would be higher than comparable costs to acquire 1660 Mission because the total Certificates of Participation issue would be higher. Mr. Weiner advises that the Derringer Group and related financing institutions invested approximately \$17 million in the construction of 1660 Mission Street.





14. Mr. Litchfield advises that the City's permit processing procedures are anticipated to be improved because a new employee with inter-departmental authority is being hired to coordinate permit processing. A new classification for this position has been approved by the Civil Service Commission and has been included in the FY 1992-93 budget. The new position will also be the person responsible for coordinating the Construction Services Center. If the proposed ordinance is approved, this new position would be instrumental in laying out and formalizing the permit processing plans at 1660 Mission Street, Mr. Litchfield reports.

15. The Budget Analyst notes that the departments have no documentation supporting anticipated increased efficiency or reduced rental costs. Therefore, the Budget Analyst recommends that, if the Board of Supervisors approves this proposed ordinance, the various departments be required to present an annual report to the Board of Supervisors documenting increased efficiency, reduced rental costs, and any other relevant information as a result of the proposed building purchase.

16. According to Mr. Weiner, the CAO anticipates introducing an Amendment of the Whole for the proposed ordinance (File 172-92-15) that would allow the CAO to negotiate the sale of the Certificates of Participation to an underwriter, if such a negotiation would be in the best interests of the City. However, the CAO currently anticipates competitively bidding the Certificates of Participation unless the market changes significantly over the next few months.

**Recommendations:** (1) Amend the proposed ordinance to require annual reports documenting improvements in efficiency, reduced rental costs, and any other relevant information as a result of the proposed building purchase. (File 172-92-15)

(2) Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.



Item 11 - File 79-92-3

The proposed resolution would approve the 1993 Community Development Program of up to \$21,708,373 and authorize the Mayor, on behalf of the City and County of San Francisco, to apply for, receive and expend the City's 1993 Community Development Block Grant (CDBG) entitlement from the U. S. Department of Housing and Urban Development. The proposed resolution would also transfer and expend (a) reprogrammed funds, included in the amount of \$21,708,373, from prior year Community Development Programs and (b) additional program income of \$16,043.00 generated by the San Francisco Redevelopment Agency. The proposed resolution would also approve expenditure schedules for recipient departments and agencies including indirect costs, would determine that no environmental evaluation is required and would authorize the receipt of any funds in excess of \$21,708,373 to be placed in a Contingency Fund.

Please refer to the Budget Analyst's separate report of November 16, 1992 on the Mayor's proposed 1993 Community Development Program.



Item 12 - File 38-92-25

**Note:** This item was continued by the Finance Committee at its meeting of November 4, 1992.

**Department:** Recreation and Park Department

**Item:** Resolution accepting a cash gift of \$5,480 from Wells Fargo Bank, for publication of the Recreation and Park Department Summer Activities Brochure.

**Amount:** \$5,480

**Description:** The Recreation and Park Department reports that Wells Fargo Bank has donated a \$5,480 cash gift to fund the publication of the Department's 1992 summer activities brochure. The Recreation and Park Department advises that the \$5,480 donation, which has already been accepted and expended by the Department, helped to fund the publication of approximately 70,000 brochures, which were distributed to San Francisco schools, libraries and community agencies. The total cost of these brochures was \$13,882 with the balance of \$8,402 funded by General Fund monies (\$5,402), Pier 39 (\$2,000) and McKesson Foundation (\$1,000).

According to Ms. Diane Palacio, of the Recreation and Park Department, the \$5,480 charitable donation by Wells Fargo Bank represented a good will effort on the part of the bank.

**Comments:** 1. As noted above, the Department has already accepted and expended the \$5,480. Therefore, the proposed legislation should be amended to authorize the Department to accept the gift retroactively. Ms. Palacio advises that the Department did not previously request authorization from the Board of Supervisors for the acceptance of this gift due to an unintentional administrative oversight.

2. The Department is not requesting authorization to accept the \$2,000 from Pier 39 and the \$1,000 from McKesson Foundation because under Administrative Code Section 10.116, the Board of Supervisors authorizes City departments to accept cash gifts which do not exceed \$5,000.

Memo to Finance Committee  
November 18, 1992

**Recommendation:** Amend the proposed resolution to authorize the Department to accept the gift retroactively, and approve the resolution as amended.



Item 13 - File 64-92-25

**Departments:** Real Estate  
Police Department  
Port

**Item:** Resolution authorizing exercise of an option to extend the existing lease of Pier 70 from the Port of San Francisco for use by the Police Department.

**Location:** Pier 70 (Assessor's Block 4052, Lot 1)

**Purpose of Lease:** Storage of automobiles confiscated by the Pick Your Part Auto Wrecking Company (the Police Department contracts with this firm for vehicle towing services).

**Lessor:** San Francisco Port

**No. of Sq. Ft. and Cost per Month:** \$40,354 per month for approximately 336,282 sq. ft. = approximately \$0.12 per sq. ft. per month.

**Annual Cost:** \$484,248

**% Increase Over 1991-92:** 0.5 percent

**Janitor Services Provided by Lessor:** Yes

**Term of Lease:** July 1, 1992 to June 30, 1997 (Five Years)

**Right of Renewal:** No options remain on this lease.

**Source of Funds:** Under the Police Department's contract with Pick Your Part Auto Wrecking Company, the company is responsible for paying the rent on this property. There is no cost to the City.

**Comment:**

1. The Real Estate Department reports that the proposed monthly rental amount of \$40,354 represents the fair market rental of the space to be leased.
2. As noted above, the lease extension has an effective date of July 1, 1992. Therefore the legislation should be amended to authorize the Police Department to exercise the option to extend the lease retroactively.

**Recommendation:** Amend the resolution to authorize the Police Department to exercise the option to extend the lease retroactively.



Item 14 - File 64-92-26

**Departments:** Real Estate  
Public Health

**Item:** Resolution authorizing a new lease of real property at 25 Taylor Street, Rooms 612 and 614, for the Department of Public Health

**Location:** 25 Taylor Street, Rooms 612 and 614

**Purpose of Lease:** Offices for the Tuberculosis Control staff engaged in performing tuberculosis and HIV screening and prevention services to high risk Tenderloin residents

**Lessor:** Shorenstein Company

**No. of Sq. Ft. and Cost per Month:** \$300 per month, including gas, electricity, water, scavenger and janitorial services for approximately 460 sq. ft. = approximately \$0.65 per sq. ft. per month

**Annual Cost:** \$3,600

**Term of Lease:** 36 months from date of approval

**Source of Funds:** Centers for Disease Control

**Comments:**

1. The proposed office space would be used for TB screening at the Ambassador Hotel and for persons out of drug treatment programs in the Tenderloin District. Currently, Tenderloin residents must travel to San Francisco General Hospital for TB testing. This outreach program to the Tenderloin is fully supported by the Centers for Disease Control.
2. According to Mr. Carlos Balladeros of the Department of Public Health, funds for this proposed lease were included in a Centers for Disease Control grant of \$268,923 for Tuberculosis Testing in the Tenderloin (File 146-92-4.2).

**Recommendation:** Approve the proposed resolution.



Item 15 - File 100-92-14

**Department:** Mayor's Office of Children, Youth and their Families  
(MOCYF)

**Item:** Release of reserved funds

**Amount:** \$3,275,126

**Source  
of Funds:** 1992-93 Children's Fund Budget

**Description:** Section 6.415 was added to the San Francisco Charter to effect the Children's Amendment that was approved by the electorate as Proposition J in November, 1991. The Children's Amendment established a new Special Fund, the San Francisco Children's Fund, to be expended exclusively to provide services for children above and beyond services which have been previously funded in the City's budget.

For fiscal year 1992-93, the Children's Fund is \$5.7 million in accordance with the requirements of the Children's Amendment, including \$3,275,126 for contractual services. In approving the 1992-93 budget, the \$3,275,126 was reserved pending selection of the contractors by the MOCYF.

MOCYF has now completed the Request for Proposal (RFP) contractor selection process and requests release of the reserved \$3,275,126 in order to begin contractual services on January 1, 1993. The RFP process that began in July, 1992 required applicant contractors to submit 1) a Statement of Intent which provided general details on the applicants and their proposed programs (due July 17, 1992) and 2) a Final Proposal (due July 24, 1992). The MOCYF received 170 Statement of Intents and 124 Final Proposals. An Ad-Hoc Advisory Panel on Children's Services, consisting of 36 citizens appointed by the Mayor, reviewed the 124 Final Proposals that requested total funding of \$12,763,362 for full year contracts, or approximately four times the available 1992-93 funding for contractual services of \$3,275,126.

In order to be able to contract for the maximum level of services for the \$3,275,126 in available funding for 1992-93, the MOCYF will contract for nine months from January 1 through September 30, 1993 using the \$3,275,126 for 1992-93 Children's Fund instead of contracting for a full 12 months with the same amount of funding, as would normally be done.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The Ad-Hoc Advisory Panel initially selected 32 proposals for funding. Those applicants that were not selected were allowed to appeal the Ad-Hoc Advisory Panel's decision to a Panel consisting of the Chairs (or their representatives) of the five Committees (see Comment No. 2). 43 applicant appeals were heard by the Panel over a three-day period. Eight of the appealing applicants were selected as contractors for 1992-93 for a total of 40 contractors (32 initially selected plus 8 selected on appeal). The MOCYF reviewed the Ad-Hoc Advisory Panel's recommendations and concurred with the selection of the 40 contractors.

The contractors that were selected for 1992-93 are listed by service and program categories as follows:

**CHILDCARE SERVICE**

**Vendor Voucher Program**

Children's Council of San Francisco	\$227,382	
Wu Yee Children's Services	<u>227,382</u>	
Subtotal		\$454,764

**Provider Subsidies Program**

Audrey L. Smith Child Development Center, Inc.	\$120,000	
Economic Opportunity Council	75,000	
Holy Family Day Care	62,100	
San Francisco Jewish Community Center	<u>75,000</u>	
Subtotal		332,100

**Respite Care Program**

CAHEED, Inc.	\$25,000	
Children's Council of San Francisco	25,000	
Wu Yee Children's Services	<u>25,000</u>	
Subtotal		75,000

**Licensing Program**

Children's Council of San Francisco	\$18,750	
Wu Yee Children's Services	<u>18,750</u>	
Subtotal		37,500

<b>Total - Childcare Service</b>		<b>\$899,364</b>
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**HEALTH AND SOCIAL SERVICE**

**Family Resource Center Program**

Family Service Agency of San Francisco \$150,000

**Homeless Children Advocacy Program**

Hamilton Family Center 56,250

**Mental Health Service Childcare Program**

Children's Council of San Francisco \$37,500

Daycare Consultants 85,457

Learning Services of Northern California 24,333

Subtotal 147,290

**Child Abuse Prevention Program**

Wu Yee Children's Services 29,817

**Total - Health and Social Service \$383,357**

**JOB READINESS, TRAINING AND PLACEMENT**

**Job Readiness/General Education Diploma Program**

Bridges - From School To Work \$81,539

Central City Hospitality House 64,500

Community Educational Services 225,000

San Francisco Conservation Corps 55,012

Youth Guidance Center Improvement Committee 43,132

Subtotal \$469,183

**Mayor's Youth Employment & Education Program**

Japanese Community Youth Council 300,000

**Early Exposure Program**

Visitation Valley Community Center 35,510

**Total - Job Readiness, Training and Placement \$804,693**

**DELINQUENCY PREVENTION AND EDUCATION**

**Multi-service Teen Centers Program**

Operation Contact, Inc. \$133,127

RAP, Inc. 133,127

Subtotal \$266,254

**Community Based Tutorials Program**

Camp Fire Boys & Girls \$44,248

Mission Reading Clinic 49,749

San Francisco Educational Services, Inc. 169,661

Subtotal 263,658



**Alternatives to Detention Program**

Center on Juvenile And Criminal Justice 130,000

**Total - Delinquency Prevention and Education** **\$659,912**

**SPECIAL NEEDS**

**Childcare**

Asian Perinatal Advocates/Volunteers of SFGH \$37,500

Easter Seal Society of San Francisco 7,829

Northern California Service League 13,500

Subtotal **\$58,829**

**Health & Social Services**

Children's Center for Movement Therapy \$15,150

Teenage Pregnancy & Parenting Project 41,708

Subtotal **56,858**

**Job Readiness, Training & Placement**

California Lawyers for the Arts \$8,610

Girls Leadership Project of San Francisco 41,250

Horizons Unlimited of San Francisco 93,750

Subtotal **143,610**

**Delinquency Prevention & Education**

Lavender Youth Recreation Information Center \$89,146

Mission Youth Soccer League 17,755

Subtotal **106,901**

**Total - Special Needs Services**

**\$366,198**

**TOTAL CONTRACTUAL SERVICES**

**\$3,113,524**

**MOCYF Contract Administration Services**

**99,860**

**Unallocated**

**61,742**

**PROPOSED RELEASE OF RESERVE**

**\$3,275,126**

**Comments:**

1. In October 1992, the Board of Supervisors adopted a resolution to urge the Mayor to utilize the 1992-93 Children's Services Plan as the foundation for the development of the 1993-94 Children's Services Plan and in order to maintain continuity in the provision of contractual services, to continue contracting with the same contractors, at the same service levels and at approximately the same amount (estimated at \$3,114,638) in the succeeding nine month period from October 1, 1993 through June 30, 1994 from the estimated \$13.6 million to be allocated to the Children's Fund for 1993-94.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

2. The Ad-Hoc Advisory Panel consists of 36 citizens appointed by the Mayor. The Ad-Hoc Advisory Panel is broken down into five Committees, one for each of the five service categories. The Committees range in size from five to nine members. The Panel that reviewed appeals of the Ad-Hoc Advisory Panel's funding recommendations consisted of the Chairs (or a representative) of each of the five Committees.

3. MOCYF indicates that the \$61,742 identified as Unallocated in the proposed release of reserve should be designated for future expansion of the MOCYF contract administration. Therefore, the \$61,742 should continue to be reserved pending submission of cost and budget details of MOYCF contract administration growth.

**Recommendation:** Release the reserve on \$3,213,384 (\$3,275,126 requested release less \$61,742 to continue to be reserved for future growth of MOYCF contract administration) and continue the reserve on the \$61,742 for future growth of MOYCF contract administration.



Item 16 - File 101-92-9

**Department:** Arts Commission  
**Item:** Supplemental Appropriation Ordinance  
**Amount:** \$5,100  
**Source of Funds:** Street Artist Program

**Description:** The Art Commission approved Resolution No. 1102-92-433, dated November 2, 1992, authorizing an amount not to exceed \$5,100 from the Street Artist Program to be used to fund the Police Department for enforcing the Street Artist Ordinance in the downtown area during the month of December, 1992. This request is to effect said application of funds, which was not included in the Art Commission's FY 1992-93 annual budget.

According to the Art Commission, a special enforcement program is needed during the holiday season in the downtown area because on the expected influx of unlicensed (illegal) vendors, which, if allowed, would have the following undesirable effects: (1) obstruction of sidewalks; (2) sale of goods that have not been examined by the Art Commission or the Police Department, and are thus unauthorized; and (3) penalize licensed street artists and store merchants who are required to pay taxes and who incur other expenses.

Sections 10B.1. through 10B.5. of the Administrative Code provide for special law enforcement. In general, any person, corporation, organization, etc., may request that the Police Department provide personnel for law enforcement purposes. If such request is approved by the Police Department, payment for the services is made on a cost basis, plus a 22.5 percent administrative overhead charge, which is deposited to the General Fund unappropriated balance. The cost basis for compensating Police Department personnel for said services is at time and one-half, and the minimum assignment period is four hours per employee.

As reported by Mr. Howard Lazar of the Art Commission, the proposed ordinance would provide funding for a total of 123 hours of Police Department services, including six hours of supervision/scheduling, 15 hours of travel (one hour for each day of patrol), and 102 hours of patrol, scheduled as follows:

<u>Date</u>	<u>Day of Week</u>	<u>Time of day</u>	<u>Number of Patrol Hours</u>
December 9	Wednesday	Noon - 5 p.m.	5
December 10	Thursday	Noon - 5 p.m.	5
December 11	Friday	Noon - 5 p.m.	5
December 12	Saturday	Noon - 5 p.m.	5
December 16	Wednesday	Noon - 5 p.m.	5
December 17	Thursday	Noon - 5 p.m.	5
December 18	Friday	Noon - 8 p.m.	8
December 19	Saturday	Noon - 8 p.m.	8
December 20	Sunday	Noon - 8 p.m.	8
December 21	Monday	Noon - 8 p.m.	8
December 22	Tuesday	Noon - 8 p.m.	8
December 23	Wednesday	Noon - 8 p.m.	8
December 24	Thursday	Noon - 8 p.m.	8
December 26	Saturday	Noon - 8 p.m.	8
December 27	Sunday	Noon - 8 p.m.	<u>8</u>
Total Patrol Hours			102

The costs for the enforcement services would be for salaries and related benefits, on a time and one-half basis, as shown below. The administrative charge of 22.5 percent is included in the hourly rates.

82.5 day hours @ \$40.67/hour	\$3,355.28
34.5 night hours @ \$42.37/hour	1,461.78
6 hours for supervision/scheduling @\$47.14/hour	<u>282.84</u>
Total	\$5,099.90

Mr. John Madden, Chief Assistant Controller, reports that the Street Artist Fund received revenues in the amount of approximately \$121,000 in FY 1991-92. Mr. Madden reports that the Street Artist Fund currently has a surplus balance of \$5,112, which would be the revenue source for the requested enforcement program.

The Street Artist Ordinance, which was created by initiative in November of 1975, provides in Section 7 that "All or part of funds derived from the fees paid by street artists and craftsmen may be assigned by the Board of Supervisors to the Art Commission for use in paying members of the Advisory Committee as set forth in Section 2 above and to the San Francisco Police Department for enforcement of this Proposition." The proposed ordinance complies with this provision of the Street Artist Ordinance.

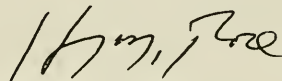
**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. Mr. Lazar reports that a full time Art Commission employee previously had responsibility for enforcing the Street Artist Ordinance, but that the position was deleted by the Mayor from the budget during FY 1991-92 due to a lack of sufficient funding. Mr. Lazar reports that the full-time employee was not a peace officer.

2. As previously cited, expenditures for the proposed Police Department services would include 15 hours of travel time. Police Department fiscal policy provides that "one half hour travel time shall be paid going to and coming from a filming location or special assignment location."

**Recommendation:** Approve the proposed ordinance.

  
Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Ted Lakey





**REVISED**

Item 7 - File 118-92-8

**Department:** Department of Public Health (DPH)

**Item:** The proposed ordinance would amend the Health Code by adding Article 25, Sections 1401 through 1413 to provide for a program for enforcement of the California Medical Waste Management Act and for registration, permitting, inspections and administrative fees for medical waste generators, treatment, and storage facilities.

**Description:** The proposed Medical Waste Generator Registration, Permitting, Inspection and Fee Ordinance (Medical Waste Ordinance) would regulate the storage, treatment, transportation, and disposal of medical waste within the City. The proposed ordinance would enable the City's DPH to regulate private and public medical waste generator agencies located in the City and County of San Francisco.

The proposed ordinance contains a two page technical definition of "medical waste." Generally, "medical waste" is the discarded superfluous material from medical or veterinary agencies that may contain infectious disease organisms and, therefore, is a health threat to humans and animals. Used hypodermic needles, blood vials, bandages, and medical instruments are examples of medical waste.

The ordinance would regulate the management of medical waste generated by various medical facilities including: hospitals, clinics, surgery centers, doctor's offices, veterinary offices, health care facilities, medical laboratories, and dental offices. Agencies having facilities that produce medical waste would be required to send to the DPH an informational document which includes general business information and information on the types and volumes of medical waste produced, medical waste handling, storage, treatment and disposal methods. The ordinance would require that medical waste could only be transported by State licensed hazardous waste haulers or certain medical waste generator agencies with limited hauling exemptions issued by the DPH.

Agencies having facilities that treat medical waste generated on site would also be required to comply with specified provisions in the ordinance. Medical waste treatment is any method designed to destroy the biological hazard of medical waste so as to eliminate its potential for causing disease. The ordinance additionally would regulate the storage and

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NOV 19 1992

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transfer of medical waste by requiring permits for the consolidation and use of common storage areas by a group of generators.

The proposed ordinance contains specific regulations for large and small quantity generator agencies and fees that would be paid to the City (estimated revenues are detailed in Comment number 4 below) as follows:

**Large quantity generators** agencies would be those agencies having facilities that generate more than 200 pounds of medical waste each month. (The proposed ordinance defines the constituents of "medical waste.") The proposed ordinance requires that large quantity generator agencies register with the DPH annually. In addition, the generator agency would be required to submit a Medical Waste Management Plan that includes general business information as well as information on the types and volumes of medical waste generated, medical waste handling, storage, treatment and disposal methods.

This group of generator agencies would be subject to inspection on an annual basis by the City to ensure compliance with State and City requirements. Mr. Scott Nakamura, the Hazardous Waste Project Manager for the DPH Bureau of Toxics, Health and Safety Services, estimates that there are 177 agencies in San Francisco that would fit the large quantity medical waste generator definition of the proposed ordinance. This large quantity medical waste generator group includes 83 agencies that currently have State medical waste licensed facilities and 94 licensed laboratories, veterinary offices, and medical offices. The proposed ordinance would require the payment of annual registration fees to the City by large quantity generators agencies. These annual registration fees would range from \$255 to \$1,445 according to the size and type of facility.

The proposed ordinance would require that **Onsite Medical Waste Treatment Facility Permits** be obtained from the DPH by large quantity generator agencies that want to treat and dispose of their own medical wastes. Large quantity medical waste generator agencies that want to treat their own medical wastes would be required to use approved methods which include the use of an autoclave, microwave, or incinerator. In addition, a health care facility accepting medical waste for treatment from small quantity generators located within 400 yards could do so as an onsite treatment facility.

Large quantity medical waste generator agencies wanting to obtain an onsite treatment permit would be required to submit an application containing business information, treatment method, facility treatment capacity, waste characterization, and estimated average monthly quantity of waste to be treated at the facility. Mr. Nakamura estimates that there are 21 agencies in the City that currently treat medical waste onsite. The annual permit fee for an onsite autoclave permit would be \$255 and the annual permit fee for all other State Approved treatment methods would be \$340. In addition, the Director of DPH would charge large quantity medical waste generator agencies wanting to obtain an onsite treatment permit a permit application fee equal to \$85 for each hour that DPH staff spends processing the permit application.

**Small Quantity Generators** would be those agencies having facilities that generate less than 200 pounds of medical waste each month. The proposed ordinance would regulate two subgroups of small quantity generator agencies. The two groups would include small quantity generator agencies that treat medical waste onsite and small quantity generators that do not treat medical waste onsite.

Small quantity generators that treat medical waste onsite would be required to register, file a medical waste management plan, and submit applicable fees to the DPH on a biennial basis. The approved treatment methods for onsite medical waste treatment would include the use of steam sterilization, incineration, and microwave methods. The management plan would be required to describe the method to be used to treat, transport, and dispose of the medical waste. In addition, this group of generator agencies would be subject to inspection by the City on a biennial basis to ensure compliance with State and City requirements. Small quantity generators that treat medical waste onsite would be required to pay a registration fee of \$255 every two years. Mr. Nakamura estimates that there are 15 agencies in the City that currently are small quantity generator agencies that treat medical waste onsite.

Small quantity generators that do not treat medical waste onsite are required by the ordinance to submit to the DPH an informational document that describes how the medical waste is handled, stored, transported, and disposed. In addition, the ordinance requires that small quantity generator agencies pay a one time non-registrant fee of \$75. Mr. Nakamura estimates that there are 1,600 small quantity

generator agencies that would be required to submit the informational document and one time fee.

**Limited Quantity Hauling Exemptions** would be required to be obtained from the DPH which would enable small quantity generator agencies to transport up to 20 pounds of medical waste per week. The medical waste would be required to be transported to a licensed medical waste treatment facility or transfer station before consolidation or treatment and disposal. Small quantity generator agencies applying for a Limited Quantity Hauling Exemption would be required to pay an annual fee of \$85. Mr. Nakamura estimates that there are 50 small quantity generator agencies that would request Limited Quantity Hauling Exemptions. Agencies that haul 20 pounds of medical waste per week or more would continue to be licensed and regulated by the State.

**Common Storage Facility permits** would be obtained from the DPH for small quantity generator agencies that want to store medical waste until it is picked up by a licensed hauler. The permit could be issued to the group of small quantity generator agencies, the property owner or management firm, or medical waste hauler. The fee for a Common Storage Facility permit would range from \$213 to \$425 depending on the number of generator agencies served by the storage facility. Mr. Nakamura estimates that there are 21 groups of small quantity generators agencies that would use common storage facilities.

The proposed ordinance would authorize the Director of the DPH to **enforce** the provisions of the California Medical Waste Management Act of 1990. Violations of the Act and ordinance would be subject to Cease and Desist Orders and Administrative penalties of up to \$1,000 per violation. Violations of an Order would constitute a misdemeanor and could be subject to civil action. Violations of storage, treatment, and disposal standards would vary from small quantity and large quantity generators. Generators violating these standards are subject to penalties ranging from \$1,000 for the first offense to no more than \$25,000 and/or three years imprisonment for multiple offenses. The Director of the DPH would also be authorized to take emergency actions when necessary to protect the public health or welfare. The Director of the DPH could also assess liens for costs and charges incurred by the City for the abatement of any imminent danger.

The proposed ordinance authorizes the City's Director of the DPH to enforce the provisions of the California Medical Waste



Management Act of 1990. Violations of the Act and ordinance would be subject to Cease and Desist Orders and Administrative penalties of up to \$1,000 per violation. Violations of an Order would constitute a misdemeanor and would be subject to a civil action.

Violations of storage, treatment, and disposal standards would vary for small quantity and large quantity medical waste generator agencies. Medical waste generator agencies violating these standards would be subject to penalties ranging from \$1,000 for the first offense to no more than \$25,000 and/or three years imprisonment for multiple offenses. The Director of the DPH would also be authorized to take emergency actions when necessary to protect the public health or welfare. The Director of the DPH could also assess liens for costs and charges incurred by the City for the abatement of any imminent hazardous waste danger.

**Comments:**

1. The State currently regulates the storage, treatment, transportation, and disposal of medical waste within the City and regulates private and public medical waste generator agencies located in the City and County of San Francisco. The DPH intends that the proposed ordinance would give the DPH control over medical waste in the City to better assure that the biological character of medical waste can either be isolated or eliminated so as to prevent medical waste from causing disease in humans or animals. The DPH believes that it can do a better job to assure the safety of medical waste in the City than can the State.

2. The California Medical Waste Management Act of 1990 authorizes local agencies, such as the City, to establish a medical waste regulatory program through the adoption of a local medical waste management ordinance. According to Mr. Scott Nakamura, the Hazardous Waste Project Manager for the DPH Bureau of Toxics, Health and Safety Services, the State Department of Health Services currently administers the regulations contained in this act and, thereby, currently is responsible for regulating private and public facilities located in the City that create, produce, or generate medical wastes. Mr. Nakamura states that the State Department of Health Services is not adequately staffed to respond to the City's local concerns.

3. According to Mr. Nakamura, "the benefits of local implementation of the Medical Waste Management Program include local control over the identification and correction of problems related to the improper management of medical waste, faster response to incidents of improperly managed

medical waste, the ability to address occupational safety and health issues at medical facilities, increased communication with medical waste generators, and coordination of local policies which would minimize public health concerns. The implementation of such a local program would also ensure that registration and permit fees, which would otherwise be submitted to the State, would stay in San Francisco."

4. The following table lists the one-time and annual fees that would be charged for each type of agency and activity:

<u>Type of Agency</u>	<u>Number of Beds</u>	<u>Number of Agencies</u>	<u>Frequency of Payment</u>	<u>Fee</u>	<u>Annual Revenue</u>	<u>One Time Revenue</u>	<u>Total First Year Revenue</u>
<b><u>Large Quantity Generator</u></b>							
Hospital	1 to 99	3	Annual	\$ 510	\$ 1,530		
Hospital	100 to 199	1	Annual	765	765		
Hospital	200 to 250	1	Annual	1,020	1,020		
Hospital	251 plus	12	Annual	1,445	17,340		
Skilled Nursing Facility	1 to 99	14	Annual	255	3,570		
Skilled Nursing Facility	100 to 199	4	Annual	340	1,360		
Skilled Nursing Facility	200 plus	1	Annual	425	425		
Specialty Clinic		31	Annual	595	18,445		
Acute Psychiatric Hospital		2	Annual	595	1,190		
Intermediate Care Facility		1	Annual	595	595		
Primary Care Clinic		12	Annual	595	7,140		
Health Care Service Plan		5	Annual	595	2,975		
Licensed Clinical Laboratory		38	Annual	255	9,690		
Veterinary Offices		6	Annual	255	1,530		
Medical Office*		46	Annual	255	11,730 *		
<b><u>Small Quantity Generator</u></b>							
On-Site Treatment		15	Biennial	255	1,913		
Off-Site Treatment		1,600	One-time	75		\$120,000	
<b><u>Haulers</u></b>							
Limited Quantity Hauling		50	Annual	85	4,250		
Exemption							
Transfer Fee*		1			595 *		
<b><u>Common Storage Facility Permits</u></b>							
10 or less Agencies Served		6	Annual	213	1,278		
11 to 49 Agencies Served		10	Annual	340	3,400		
50 or more Agencies Served		5	Annual	425	2,125		

Memo to Finance Committee  
November 18, 1992

<u>Type of Agency</u>	<u>Number of Beds</u>	<u>Number of Agencies</u>	<u>Frequency of Payment</u>	<u>Fee</u>	<u>Annual Revenue</u>	<u>One Time Revenue</u>	<u>Total First Year Revenue</u>
<u>On-Site Medical Waste Treatment Facility</u>							
Autoclave Treatment		20	Annual	255	5,100		
Other Treatment		1	Annual	340	340		
Processing Fee (estimate 30 hours)				\$85/Hr.	2,550		
Totals					\$100,856	\$120,000	\$220,856

\* The proposed ordinance does not currently contain full provision for these fees. The DPH is working with the City Attorney's Office to amend the proposed ordinance to include mortuaries under the definition of medical offices and to make provision for a transfer fee of \$595 annually. The transfer fee would be charged to haulers operating a transfer station at which medical wastes are consolidated and transferred to another hauler's vehicle.

5. The California Medical Waste Management Act allows counties to charge fees necessary to implement a medical waste management program. A comparison of the proposed fees for the City and County of San Francisco, the State of California, and five other counties that have already implemented medical waste management programs is contained in the attached schedule.

6. Mr. Nakamura projects the annual costs for the implementation of the proposed Medical Waste Program to be \$213,458. These implementation costs include personnel costs of \$135,432 and non-personnel costs of \$78,026 as follows:

Personnel Costs

<u>Classification</u>	<u>FTE</u>	<u>Annual Salaries</u>
6122 Senior Environmental Health Inspector	1.0	\$ 66,240
1446 Secretary II	1.0	39,566
Salary subtotal	2.0	\$105,806
Mandatory Fringe Benefits (@ 28%)		<u>29,626</u>
Total Personnel Costs		\$135,432

Operating Costs

Auto Mileage	\$ 1,000
Travel	500
Training	2,000

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**BUDGET ANALYST**



Contractual Services (Emergency Response)	\$22,000
Other Current Services	2,000
Vehicle	5,000
Postage (3 mailings by registered mail)	17,500
Telephone	1,500
Materials and Supplies	6,000
Rental of Property	5,336
Data Processing Equipment	7,500
Reproduction	6,690
Medical Surveillance	<u>1,000</u>
Total Operating Costs	<u>78,026</u>
Total Cost	\$213,458

7. The Senior Environmental Health Inspector position would determine the inventory of businesses subject to the ordinance, develop letters of notification, application packets, fact sheets, standard operating procedures, inspection forms, enforcement procedures, fee collection procedures, review medical waste management plans and informational documents, and conduct inspections of facilities subject to the ordinance. In addition, this position would conduct business workshops for the regulated community to assist them in complying with the requirements of the ordinance. The Senior Clerk Typist would provide clerical support for the program.

8. The above annual costs for the implementation of the proposed Medical Waste Program include the staffing and operating costs associated with the processing of applications, development of application forms, notifications of permit requirements, review of applications and required documentation, inspection of medical waste generators, issuance of permits, development and distribution of fact sheets, newsletters, and other educational materials.

9. The costs to implement the program would be entirely funded by the projected revenue of \$220,856 from registration and permit fees. The proposed ordinance provides for an inspection fee of \$85 per hour or each portion thereof for inspections and associated activities. Prior to the issuance of permits, medical waste generator agencies may be inspected by DPH staff to ensure compliance with State and City requirements.

10. According to Mr. Nakamura, after the initial year of operation of the proposed Medical Waste Program, various

initial costs of the Program could be eliminated or reduced. For example, vehicle, postage and data processing expenses could be reduced significantly. Mr. Nakamura estimates that the annual ongoing cost of the proposed Medical Waste Program would be approximately \$30,000 less than the cost of the initial year of operation or \$183,458.

11. As stated above, the estimated revenues of \$220,856 from the fees contained in the proposed ordinance would support the \$213,458 estimated cost of the first year's operation of the proposed Medical Waste Program. However, the estimated revenues of \$100,856 from the fees earned in the subsequent years of the Program would not support the \$183,458 estimated cost of the annual ongoing operation of the proposed Medical Waste Program.

12. In order to hire the staff and expend funds to implement the proposed Medical Waste Program, DPH must submit a supplemental appropriation including the Controller's certification of funds available from the proposed new fees to appropriate the funds and an ordinance to amend the Annual Salary Ordinance to create the new positions. In addition, the collection of the proposed fees by the City would require the hiring of staff to perform the requisite inspections. The supplemental appropriation and the ordinance to amend the Annual Salary Ordinance should be companion legislation to this file since none could be appropriately implemented without the others. Mr. Nakamura has indicated to the Budget Analyst that he does have a plan to fund the ongoing cost of the proposed Program but has not finalized his plan.

**Recommendation:** Continue the consideration of this item pending 1) the submission of a companion supplemental appropriation and an ordinance to amend the Annual Salary Ordinance, 2) the Department's clarification of second and subsequent years' funding, and 3) the revision of the proposed ordinance reflecting the specific intentions of the Department including fees for mortuaries and medical waste hauler transfer fees.

The adoption of the proposed ordinance that would create an additional new program responsibility for the City including new fees and the need for additional staff and operational costs is a policy matter for the Board of Supervisors.

MEDICAL WASTE FEE COMPARISON						Attachment	
	SAN FRANCISCO	SANTA CLARA	ORANGE	ALAMEDA	MARIN	CONTRA COSTA	STATE OF CALIFORNIA
LARGE QUANTITY GENERATORS							
ACUTE CARE HOSPITALS							
1-99 BEDS	\$510.00	\$600.00	\$722.00	\$503.00	\$600.00	\$600.00	\$600.00
100-199 BEDS	\$765.00	\$860.00	\$938.00	\$704.00	\$860.00	\$860.00	\$860.00
200-250 BEDS	\$1,020.00	\$1,100.00	\$1,239.00	\$1,106.00	\$1,000.00	\$1,000.00	\$1,000.00
251 OR MORE BEDS	\$1,445.00	\$1,400.00	\$1,557.00	\$1,106.00	\$1,400.00	\$1,400.00	\$1,400.00
SPECIALTY CLINIC (SURGICAL, DIALYSIS, ETC)	\$595.00	\$350.00	\$368.00	\$503.00	\$350.00	\$350.00	\$350.00
ACUTE PSYCHIATRIC HOSPITAL	\$595.00	\$200.00	\$206.00	\$503.00	\$600.00	\$200.00	\$200.00
INTERMEDIATE CARE FACILITY	\$595.00	\$300.00	\$336.00	\$503.00	\$300.00	\$300.00	\$300.00
PRIMARY CARE CLINIC	\$595.00	\$350.00	\$368.00	\$503.00	\$350.00	\$350.00	\$350.00
CLINICAL LABORATORY	\$255.00	\$200.00	\$213.00	\$503.00	\$200.00	\$200.00	\$200.00
HEALTH CARE SERVICE PLAN FACILITY	\$595.00	\$350.00	\$368.00	\$503.00	NA	\$350.00	\$350.00
VETERINARY CLINIC OR HOSPITAL	\$255.00	\$200.00	\$368.00	\$503.00	\$200.00	\$200.00	\$200.00
MEDICAL/DENTAL OFFICE (200 OR MORE POUNDS/MONTH)	\$255.00	\$200.00	\$213.00	\$503.00	\$200.00	\$200.00	\$200.00
HOME HEALTH SERVICE (NURSING, INFUSION SERVICES, ETC)	\$255.00	\$200.00	\$213.00	\$503.00	NA	\$200.00	\$200.00
FOLLOW UP INSPECTIONS, INVESTIGATIONS, AND CONSULTATIONS (HOURLY RATE)	\$85.00	\$0.00	NA	\$67.00	\$75.00	\$80.00	NA
AUTOCLAVE TREATMENT PERMIT	\$255.00	\$300.00	\$496.00	NA	\$200.00	NA	NA
INCINERATOR TREATMENT PERMIT	\$340.00	\$300.00	\$496.00	NA	\$200.00	NA	NA
PERMIT APPLICATION REVIEW FEE (HOURLY RATE)	\$85.00	\$0.00	NA	\$67.00	\$75.00	\$80.00	NA
SMALL QUANTITY GENERATORS (LESS THAN 200 POUNDS/MONTH, TREAT ONSITE)	\$128.00	\$100.00	\$496.00	\$134.00	\$100.00	\$100.00	\$50.00
NONREGISTRANT FEE (ONE TIME)	\$75.00	\$25.00	NA	\$0.00	\$75.00	\$25.00	\$0.00
LIMITED QUANTITY HAULING EXEMPTION	\$85.00	\$0.00	NA	\$101.00	\$75.00	\$50.00	\$0.00
COMMON STORAGE FACILITY PERMIT FEE							
SERVING 2-10 GENERATORS	\$213.00	\$100.00	\$105.00	\$201.00	\$150.00	\$100.00	\$100.00
SERVING 11-49 GENERATORS	\$340.00	\$250.00	\$263.00	\$201.00	\$250.00	\$250.00	\$250.00
SERVING 50 OR MORE GENERATORS	\$425.00	\$500.00	\$561.00	\$201.00	\$500.00	\$500.00	\$500.00
INPATIENT FACILITIES							
1-99 BEDS	\$255.00	\$275.00	\$306.00	\$503.00	\$600.00	\$275.00	\$275.00
100-199 BEDS	\$340.00	\$350.00	\$377.00	\$704.00	\$860.00	\$350.00	\$350.00
200 OR MORE BEDS	\$425.00	\$400.00	\$446.00	\$1,106.00	\$1,000.00	\$400.00	\$400.00
TRANSFER STATION	\$595.00	\$500.00	\$561.00	\$603.00	NA	\$500.00	\$500.00

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

November 18, 1992

Honorable Jim Gonzalez, Chair  
and Members of the Finance Committee  
Board of Supervisors  
Room 235, City Hall  
San Francisco, California 94102

Dear Supervisor Gonzalez and Members of the Finance Committee:

Transmitted herewith is a list of revisions (Attachment I) to the Budget Analyst's report on the Mayor's Office of Community Development (MOCD) recommended budget for the 1993 Community Development (CD) Program.

The changes are also included in the Revised Summary of Requests and Recommendations (Attachment II).

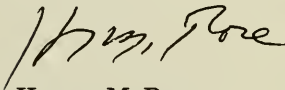
As a result of these changes, the Budget Analyst is making the revised recommendations to approve \$19,754,895 of the MOCD's proposed 1993 CDBG Program of \$21,708,373 which includes \$169,839 in contingencies.. The Budget Analyst is recommending that reductions be made in the amount of \$159,915 from the MOCD's proposed 1993 CDBG Program and is making no recommendations on new programs and increases in existing programs totaling \$1,793,563, since such new programs and increases in existing programs are considered to be policy decisions for the Board of Supervisors. Further, the Budget Analyst is recommending that \$762,047 from the MOCDs recommended budget be approved but reserved.



Honorable Jim Gonzalez, Chair  
and Members of the Finance Committee  
Board of Supervisors  
November 18, 1992

As noted above, the 1993 CDBG program proposed by the MOCD includes \$169,839 in contingency reserves which may be allocated to other eligible CDBG program activities. The previously noted Budget Analyst's recommended reductions totaling \$159,915, if accepted by the Board of Supervisors, would initially be transferred to the Contingency Fund. Further the Budget Analyst has recommended a revised transfer of \$13,273 in current and prior year unspent funds (\$1,342 from New Facility Development, Section VI and \$11,931 from Public Services, Section VIII) to contingencies. Therefore a total of \$173,188, in addition to the MOCD proposed Contingency Fund of \$169,839, or a total of \$343,027, could be reallocated by the Board of Supervisors for other eligible CD activities.

Respectfully submitted,



Harvey M. Rose  
Budget Analyst

cc: Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Larry Del Carlo  
Ted Dienstfrey  
Ted Lakey

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**BUDGET ANALYST**

**Revisions to the Budget Analyst's Report of 11/16/92  
on the 1993 Community Development Program as Prepared by the  
Mayor's Office of Community Development**

Page 99 - Chinatown Youth Center

Page 105 - Domestic Relations Unit/SF Neighborhood Legal Assistance Foundation

Page 135 - Tenderloin Housing Clinic

Page 136 - Travelers Aid

Page 137 - West Bay Pilipino Multi Service Corporation

Page 139 - Young Community Developers

Page 153 Mission Cultural Center

**Change recommendations to "Approve CDBG funding as recommended by MOCD."**

Page 119 - Mayor's Office of Children, Youth and Their Families

**Reduce recommended reserve by \$13,641 from \$100,000 to \$86,359.**

Page 141 - Status of Unspent Funds, Public Services Program

**Decrease recommended transfer to contingencies from \$60,931 to \$11,931.**

Pages 168 and 170 - Homeless Services Program and Disability Access Program Pools

**Withdraw recommended reserves on these pools, \$550,000 and \$500,000 respectively.**

Page 176 - Disability Concerns Unit

**Decrease recommended reduction by \$7,909 from \$8,835 to \$926.**

Pages 184 and 187 - Position Upgrade from Class 9774 to Class 9775

**Withdraw recommended reduction of \$8,430 and instead recommend a reserve of \$8,430 pending classification by the Civil Service Commission.**

## REVISED SUMMARY OF REQUESTS AND RECOMMENDATIONS

Page No.	Program or Recipient	1993 Agency Request	1992 Budget	1993 MOCD Proposed Budget	Increase (Decrease) Over 1992 Funding	Budget Analyst Recommendations Amount to be Funded	Amount to be Reduced
<b>I. Housing Programs Administration</b>							
12	Asian, Inc	\$214,000	\$200,000	\$214,000	\$14,000	\$200,000 *	\$2,820
12	Bernal Heights Community Foundation	199,800	185,000	194,300	9,300	185,000 *	
	California Advocates for Nursing Home Reform	0	30,000	0	(30,000)	0	
12	Chinese Community Housing Corporation	295,000	280,000	295,000	15,000	280,000 *	
	Community Design Center/University of California-Berkeley	45,317	0	0	0	0	
12	Housing Conservation and Development Corporation	195,932	188,818	190,000	1,182	188,818 *	
12	Housing Development & Neigh. Preservation Corp.	160,788	109,011	145,000	35,989	109,011 *	1,358
12	Mission Housing Development Corporation	369,968	341,629	341,629	13,371	341,629 *	
12	Tenderloin Neighborhood Development Corp.	216,000	202,000	216,000	14,000	202,000 *	
	<b>Subtotal: Housing Program Administration</b>	<b>\$1,696,805</b>	<b>\$415,000</b>	<b>\$1,609,300</b>	<b>\$72,842</b>	<b>1,506,458</b>	<b>\$4,178</b>
<b>II. Fair Housing/Technical Services</b>							
17	Asian Neighborhood Design	\$325,290	\$280,000	\$300,000	\$20,000	\$280,000 *	
	Catholic Charities - St. Peter's Housing Committee	0	31,571	0	(31,571)	0	
	Coalition for Low Income Housing	0	25,000	0	(25,000)	0	
17	Community Design Center	122,520	85,000	88,400	3,400	85,000 * **	
	Independent Housing Services	0	160,000	0	(160,000)	0	
	Independent Living Resource Center of San Francisco	0	30,450	0	(30,450)	0	
	Innovative Housing	0	90,000	0	(90,000)	0	
	Legal Services for the Elderly	0	30,000	0	(30,000)	0	
	San Francisco Organizing Project (SFOP)	0	24,000	0	(24,000)	0	
	Self-Help for the Elderly	0	50,380	0	(50,380)	0	
	Tenderloin Housing Clinic, Inc.	0	86,510	0	(86,510)	0	
	<b>Subtotal: Housing Counseling Service/Tech. Services</b>	<b>\$447,810</b>	<b>\$892,911</b>	<b>\$388,400</b>	<b>(\$504,511)</b>	<b>\$385,000</b>	<b>\$0</b>
<b>III. Housing Program Pools</b>							
20	Community Housing Rehabilitation Pool	\$1,500,000	\$1,360,000	\$1,500,000	\$140,000	\$1,500,000	
22	Housing Site Acquisition Pool	2,000,000	2,000,000	2,000,000	0	2,000,000	
	<b>Subtotal: Housing Program Pools</b>	<b>\$3,500,000</b>	<b>\$3,360,000</b>	<b>\$3,500,000</b>	<b>\$140,000</b>	<b>\$3,500,000</b>	<b>\$0</b>
<b>IV. Public Housing Rehabilitation Program</b>							
26	San Francisco Housing Authority (SFHA)	\$1,900,000	\$1,106,200	\$815,870	(\$290,330)	\$815,870	\$0

\* The Budget Analyst makes no recommendations for funding new programs or increases in existing programs.

\*\* The Budget Analyst recommends that \$8,840 be reserved (see page 18).



REVISED SUMMARY OF REQUESTS AND RECOMMENDATIONS

Page No.	Program or Recipient	1993 Agency Request	1992 Budget	1993 MOCD Proposed Budget	Increase (Decrease) Over 1992 Funding	Budget Analyst Recommendations Amount to be Funded	Amount to be Reduced
<b>V. Public Space Improvement Program</b>							
33	DPWB/Bureau of Street Cleaning & Urban Forest	\$230,350	\$0	\$87,500	\$87,500	—	*
33	Friends of Support Services for the Arts (FSSA)	93,528	60,000	60,000	0	\$60,000	
	Innovative Housing	5,000	0	0	0	0	
34	Public Space Improvement Pool	\$250,000	\$250,000	\$250,000	\$0	—	*
35	San Francisco Conservation Corps (SFCC)	2,138,781	923,981	1,068,000	144,019	923,981	*
39	San Francisco Friends of the Urban Forest (SFFUF)	73,000	42,000	47,000	5,000	42,000	*
40	San Francisco League of Urban Gardeners (SLUG)	258,074	100,000	170,000	70,000	100,000	*
	YMCA of San Francisco (Central Branch)	116,500	0	0	0	0	
	<b>Subtotal: Public Space Improvement Program</b>	<b>\$3,165,233</b>	<b>\$1,375,981</b>	<b>\$1,682,500</b>	<b>\$306,519</b>	<b>\$1,125,981</b>	<b>\$0</b>
<b>VI. New Facility Development</b>							
	Burt Children's Center	\$55,000	\$0	\$0	\$0	\$0	
	Central City Hospitality House	0	86,000	0	0	0	
45	Chemical Awareness & Treatment Services	102,500	0	51,250	51,250	51,250	
	Community Housing Partnership	0	34,200	0	0	0	
	Gay Asian Pacific Alliance (GAPA)	0	46,025	0	0	0	
46	Good Samaritan Family Resource Center	199,275	0	100,000	100,000	100,000	
	Haight Ashbury Free Clinics (940 Haight Street)	0	10,000	0	0	0	
47	Hospice by the Bay/Comm Hospice Foundation of the Bay Area	57,000	48,500	30,000	0	30,000	
48	Housing for Independent People	62,000	0	62,000	62,000	62,000	
48	Oceanview Merced Inglewood (OMI) Pilgrim Community Center	75,000	90,000	60,000	0	60,000	
	S. F. Institute on Aging of Mt. Zion Health System	0	46,000	0	0	0	
	San Francisco Black Coalition on AIDS	0	30,000	0	0	0	
48	San Francisco Renaissance	50,000	0	40,000	40,000	40,000	
	San Francisco Suicide Prevention	0	7,500	0	0	0	
49	Self Help for the Elderly	130,000	90,000	100,000	10,000	100,000	
	Telegraph Hill Neighborhood Association	0	50,000	0	0	0	
	Victory Outreach Rehabilitation Service	57,000	0	0	0	0	
	West Bay Local Development Corporation	0	200,000	0	0	0	
49	Western Addition Senior Citizens Service Center	152,000	0	110,000	110,000	110,000	
50	Westside Community Mental Health Center, Inc.	544,000	0	100,000	100,000	100,000	
	<b>Subtotal: New Facility Development</b>	<b>\$1,483,775</b>	<b>\$738,225</b>	<b>\$653,250</b>	<b>(\$84,975)</b>	<b>\$653,250</b>	<b>\$0</b>
<b>VII. Existing Facility Rehabilitation</b>							
	Alta Residential Care & Rehabilitation Counseling	\$0	\$15,000	\$0	(\$15,000)	\$0	
58	Baker Places	32,480	0	28,000	28,000	28,000	
	Booker T. Washington Community Service Center	0	15,985	0	0	0	
	Burt Children's Center, Inc.	69,300	33,000	0	0	0	
59	California Pacific Medical Center (30th Street Senior Services)	103,500	0	50,000	50,000	50,000	
59	Catholic Youth Organization (SF Boys & Girls Home)	66,900	44,600	46,000	1,400	46,000	
	Center for African & African-American Art & Culture	83,400	0	0	0	0	
	Central City Hospitality House	0	54,000	0	0	0	

\* The Budget Analyst makes no recommendations for funding new programs or increases in existing programs.

REVISED SUMMARY OF REQUESTS AND RECOMMENDATIONS

Page No.	Program or Recipient	1993 Agency Request	1992 Budget	1993 MOCD Proposed Budget	Increase (Decrease) Over 1992 Funding	Budget Analyst	
						Amount to be Funded	Recommendations Amount to be Reduced
VII. Existing Facility Rehabilitation (continued)							
59	Centro del Pueblo	\$271,250	\$75,000	\$112,000	\$37,000	\$112,000	
60	Centro Latino de San Francisco	27,300	0	23,000	23,000	21,850	\$1,150
	Charity Cultural Services Center	0	20,400	0	(20,400)	0	
	Chateau Agape	0	30,000	0	(30,000)	0	
	Chinatown American Cooks School, Inc.	0	39,500	0	(39,500)	0	
60	Columbia Park Boy's Club	57,200	40,000	50,000	10,000	50,000	
	Commodore Stockton Children's Center	0	15,000	0	(15,000)	0	
60	Conard House (Hyde Street)	42,700	0	32,000	32,000	32,000	
61	Conard House (Jackson Street)	127,250	0	64,000	64,000	64,000	
	Dolores Street Community Center	0	40,000	0	(40,000)	0	
61	Donaldina Cameron House	184,360	40,000	75,000	35,000	75,000	
	Episcopal Community Services	11,045	0	0	0	0	
61	First San Francisco Children's Center	31,000	30,000	30,000	0	30,000	
62	Florence Crittenton Services	107,000	17,250	32,000	14,750	32,000	
	Friends of Support Services for the Arts	51,600	0	0	0	0	
62	Friends of the Mission Cultural Center	86,404	0	20,000	20,000	20,000	
	Gum Moon Residence Hall	46,256	0	44,000	44,000	44,000	
63	Haight Ashbury Free Clinics, Inc. (519 Clayton Street)	55,000	40,000	20,000	(20,000)	20,000	
	Haight Ashbury Free Clinic (Haight)	27,000	0	22,500	22,500	22,500	
63	Haight Ashbury Free Clinic (Recovery House)	5,000	0	0	0	0	
	Hamilton Family Center, Inc.	0	65,000	0	(65,000)	0	
	Hartford Street Zen Center/Castro Zando Inc.	0	55,000	0	(55,000)	0	
	Henry Chihoff House, Inc.	35,000	35,000	0	(35,000)	0	
	Ingliside Community Ctr, Inc. (Presbyterian Church)	0	9,775	0	(9,775)	0	
63	Japanese Cultural & Community Center of Northern California	47,000	35,000	36,000	1,000	36,000	
64	Korean American Development Corporation	68,200	0	40,000	40,000	40,000	
64	La Casa de las Madres	121,800	0	59,000	59,000	59,000	
	Mayor's Office of Housing - Poly High Gymnasla	430,000	0	0	0	0	
64	Mission Childcare Consortium, Inc.	50,764	50,000	30,000	(20,000)	30,000	
65	Mission Language and Vocational School, Inc. (MLVS)	156,053	47,000	52,000	5,000	52,000	
65	Mission Neighborhood Centers (24th Street)	27,270	0	20,000	20,000	20,000	
65	Mission Neighborhood Centers (Capp Street)	76,797	0	40,000	40,000	40,000	
66	Mission Neighborhood Centers (Precita Street)	118,418	0	15,000	15,000	15,000	
66	Mission Neighborhood Centers (Valencia Street)	28,820	0	25,000	25,000	25,000	
	Mount St. Joseph-St. Elizabeth	0	19,150	0	(19,150)	0	
	Noe Valley Nursery School	99,200	0	0	0	0	
66	People Place Services	56,371	0	56,000	56,000	56,000	
67	Potrero Hill Neighborhood House	120,000	30,000	60,000	30,000	60,000	
67	Rebirth and Development	64,000	0	47,500	47,500	47,500	
67	Recreation Center for the Handicapped	62,312	0	69,000	69,000	69,000	
68	Rose Resnick Center for the Blind & Visually Impaired	65,000	0	55,000	55,000	55,000	
68	Russian-American Community Services	50,000	40,000	40,000	0	40,000	
	Samoa Mo Samoa, Inc.	0	10,000	0	(10,000)	0	
68	San Francisco Boys and Girls Club (Ernest Ingold Branch)	199,000	50,000	100,000	50,000	100,000	

Page No.	Program or Recipient	Agency Request	1992 Budget	Proposed Budget	Over 1992 Funding	Amount to be Funded	Amount to be Reduced
VII. Existing Facility Rehabilitation (continued)							
	San Francisco Health Department/Tom Waddell Clinic	\$0	\$75,000	\$0	(\$75,000)	\$0	
69	San Francisco Medical Center Outpatient Improvement Program	85,000	35,000	80,000	45,000	80,000	
69	San Francisco Unified School District - FEC Children's Center	46,150	0	40,000	40,000	40,000	
69	San Francisco Women's Centers Inc.	28,500	50,000	31,000	(19,000)	31,000	
	San Francisco Women's Rehabilitation Foundation	16,450	0	0	0	0	
70	St. Patrick's Day Care Center	91,890	0	72,000	72,000	72,000	
	St. Vincent de Paul Society (6324 Geary Boulevard)	0	60,000	0	(60,000)	0	
70	Telegraph Hill Neighborhood Association	104,928	0	50,000	50,000	50,000	
	The Banneker Homes	433,178	0	0	0	0	
	United Jewish Community Centers	67,180	0	0	0	0	
	Urban Indian Health Board, Inc.	0	75,000	0	(75,000)	0	
70	Visitation Valley Community Center (325 Leland Avenue)	3,248	0	3,300	3,300	3,300	
71	Visitation Valley Community Center (50 Raymond Street)	3,248	0	3,300	3,300	3,300	
71	Visitation Valley Community Center (66 Raymond Street)	41,664	0	25,000	25,000	25,000	
	Volunteers of America Bay Area	18,500	0	0	0	0	
71	Walden House (Buena Vista West)	63,000	90,000	15,000	(75,000)	15,000	
72	Walden House (Haight Street)	45,420	0	9,000	9,000	9,000	
72	Walden House (Hayes Street)	45,640	0	40,000	40,000	40,000	
	Westside Community Mental Health, Inc.	0	25,000	0	(25,000)	0	
72	Women's Alcoholism Center	71,025	0	14,500	14,500	14,500	
73	Wu Yee Children's Services (Powell Street)	289,681	0	144,350	144,350	144,350	
73	YMCA of San Francisco (Buchanan Branch)	6,500	0	5,000	5,000	5,000	
73	YMCA of San Francisco (Central Branch)	279,400	46,000	40,000	(6,000)	40,000	
74	YMCA of San Francisco (Mission Branch)	61,750	0	50,000	50,000	50,000	
	YMCA of San Francisco (Stonestown Branch)	18,720	0	0	0	0	
	YMCA of San Francisco (1830 Sutter St.)	0	18,000	0	(18,000)	0	
	Subtotal: Existing Facility Rehabilitation	\$5,183,022	\$1,469,660	\$2,015,450	\$545,790	\$2,014,300	\$1,150
VIII. Public Services Program							
	2299 Market Street, Inc. DBA The Life Center	\$20,000	\$0	\$0	\$0	\$0	
	A. R. & S. Educational Services	200,000	0	0	0	0	
88	AIDS Legal Referral Panel	31,600	31,600	31,600	0	31,600	
	American Red Cross Bay Area/Homelessness Prevention	31,000	0	0	0	0	
	Armenian Relief Society of Western USA, Inc.	34,417	0	0	0	0	
	Asian American Recovery Services, Inc. (PEIP)	0	50,000	0	(50,000)	0	
88	Asian Law Caucus, Inc.	45,225	30,000	30,000	0	30,000	
89	Asian Women's Shelter, Inc.	41,163	21,500	21,500	0	21,500	
90	Audrey L. Smith Developmental Center, Inc.	73,161	73,161	73,161	0	73,161	
	Baker Places, Inc.	31,500	0	0	0	0	
	Bay Area Native American Ministries	108,000	0	0	0	0	
	Bayview Hunters Point Association of Community Organizations	100,000	0	0	0	0	
90	Bayview Hunter's Point Foundation (Community Defender)	310,683	292,828	292,828	0	292,828	
	Bayview Hunters Point Foundation Youth Services	190,000	0	0	0	0	
	Bayview Hunters Point Homeowners & Resident CDC	175,000	0	0	0	0	

REVISED SUMMARY OF REQUESTS AND RECOMMENDATIONS

Page NO.	Program or Recipient	1993 Agency Request	1992 Budget	1993 MOCD Proposed Budget	Increase (Decrease) Over 1992 Funding	Budget Analyst Recommendations Amount to be Funded	Budget Analyst Recommendations Amount to be Reduced
	VIII. Public Services Program (continued)						
	Booker T. Washington Community Service Center	\$0	\$60,900	\$0	(\$60,900)	\$0	
	Burt Children's Center	30,000	0	0	0	0	
91	Cai. Assoc. of Health, Ed., Emp. and Dignity (CAHEED)	136,500	118,192	118,192	0	118,192	
92	CYO-Youth Activities/Mission Recreation Project	61,326	61,326	61,326	0	61,326	
93	California Advocates for Nursing Home Reform	30,000	0	30,000	30,000	30,000	
	Career Resources Development Center	70,000	0	0	0	0	
93	Careers Abound, Inc.	66,814	58,098	58,098	0	58,098	
94	Catholic Charities of San Francisco/St. Peter's Housing	36,835	0	31,571	31,571	31,571	
	Catholic Charities of San Francisco	32,325	0	0	0	0	
	Center for Human Development	32,000	0	0	0	0	
94	Central American Refugee Center (CARECEN)	34,254	28,468	28,468	0	28,468	
95	Central City Hospitality House	48,416	48,416	48,416	0	48,416	
96	Charity Cultural Services Center	60,600	31,287	55,000	23,713	31,287 *	
97	Children's Council of San Francisco	30,000	22,000	22,000	0	22,000	
98	Chinatown American Cooks School, Inc.	50,000	50,000	50,000	0	50,000	
98	Chinatown Youth Center	49,400	37,150	37,676	526	37,676	
99	Chinese Newcomers Service Center	30,927	30,927	30,927	0	30,927	
100	Chinese for Affirmative Action	74,000	67,244	67,244	0	67,244	
101	Coalition for Immigrant & Refugee Rights & Services	70,000	50,000	50,000	0	50,000	
101	Coalition for Low Income Housing/Catholic Charities	40,495	0	25,000	25,000	25,000	
102	Community Alliance Program for Ex-Offenders (CAPE)	98,132	60,000	60,000	0	60,000	
102	Community Alliance for Special Education (CASE)	31,750	25,000	25,000	0	25,000	
	Community Educational Services	32,000	0	0	0	0	
103	Community Educational Services	20,800	20,000	20,000	0	20,000	
104	Community United Against Violence	30,060	26,700	26,700	0	26,700	
104	Diamond Youth Shelter	30,000	25,000	25,000	0	25,000	
105	Domestic Relations Unit/SF Neighborhood Legal Assoc. Found.	77,220	0	41,669	41,669	41,669	
106	Donaldina Cameron House	35,000	20,000	20,000	0	20,000	
	Educational Advocate Office	297,600	0	0	0	0	
106	Elia Hill Hutch Community Center	161,833	146,376	146,376	0	146,376	
	Emanuel Achievement Program/Wilbert W. Hamilton	30,000	25,000	30,000	(25,000)	0	
107	Filipino-American Council of San Francisco, Inc.	98,646	0	30,000	30,000	0	
	First San Francisco Children's Center	43,000	0	0	0	0	
	Golden Gate Senior Services	30,000	0	0	0	0	
108	Haight Ashbury Play Program for Youth (HAPPY)	35,000	25,000	30,000	5,000	25,000 *	
	Harford Street Zen Center/Castro Zendo Inc.	0	24,000	0	(24,000)	0	
	Help Women to Succeed	26,813	0	0	0	0	
108	Horizons Unlimited of San Francisco, Inc.	61,326	61,326	61,326	0	61,326	
	House of Chicks	123,000	0	0	0	0	
109	Hunters Point Boys' Club	20,000	20,000	20,000	0	20,000	
110	Hunters Point Community Youth Park Foundation	180,043	189,984	172,144	(17,840)	172,144	
110	Independent Housing Services	160,000	0	160,000	160,000	160,000	

\* The Budget Analyst makes no recommendations for funding new programs or increases in existing programs.



REVISED SUMMARY OF REQUESTS AND RECOMMENDATIONS

Page No.	Program or Recipient	1993 Agency Request	1992 Budget	1993 MOCD Proposed Budget	Increase (Decrease) Over 1992 Funding	Budget Analyst Recommendations	
						Amount to be Funded	Amount to be Reduced
	VIII. Public Services Program (continued)						
111	Independent Living Resource Center San Francisco	\$39,892	\$0	\$30,450	\$30,450	\$30,450	
112	Ingleside Community Center, Inc.	65,000	59,063	65,000	5,937	65,000	
112	Innovative Housing for Community	132,000	0	90,000	90,000	90,000	
113	Instituto Laboral De La Raza	48,740	48,440	48,440	0	48,440	
	Japanese Cultural & Community Center of Northern California	0	20,000	0	(20,000)	0	
114	Korean-American Development Corporation	75,600	25,000	25,000	0	25,000	
114	Korean Center, Inc.	76,116	58,000	58,000	0	58,000	
115	Korean Community Service Center	31,200	0	25,000	25,000	—	*
115	La Casa De Las Madres	90,640	52,000	52,000	0	52,000	
116	La Raza Centro Legal, Inc.	67,628	66,280	66,280	0	66,280	
117	Legal Assistance to the Elderly	30,000	0	30,000	30,000	30,000	
118	Lyon-Martin Women's Health Services	77,465	77,465	77,465	0	77,465	**
118	Mayor's Office of Children, Youth and Their Families	100,094	45,000	100,000	55,000	—	*
120	Men Overcoming Violence (MOVE)	36,136	26,528	26,528	0	26,528	
	Metropolitan Fresh Start House	161,500	0	0	0	0	
120	Mission Community Legal Defense, Inc.	243,137	231,933	231,933	0	231,933	
121	Mission Education Projects, Incorporated	218,509	218,509	218,509	0	218,509	
121	Mission Hiring Hall, Inc.	118,738	118,738	118,738	0	118,738	
122	Mission Language and Vocational School, Inc.	282,431	214,109	214,109	0	214,109	
123	Mission Neighborhood Centers, Inc./Precita Center	100,000	40,000	40,000	0	40,000	
123	Mission Reading Clinic	106,575	106,575	106,575	0	106,575	
	Multicultural Training Resource Center	75,000	0	0	0	0	
124	Mutual Assistance Association Council, Inc.	59,877	28,340	28,340	0	28,340	
	National Office of Samoan Affairs	91,674	0	0	0	0	
125	Nihonmachi Legal Outreach	60,450	22,800	22,800	0	22,800	
126	Northern California Service League	60,000	50,000	50,000	0	50,000	
	Northridge Cooperative Homes	75,000	0	0	0	0	
126	OMI - Pilgrim Community Center	75,000	30,000	30,000	0	30,000	
127	Ocean View, Merced, Ingleside Comm. Assn. (OMICA)	51,913	35,000	35,000	0	35,000	
128	Operation Concern/California Pacific Community Services	55,000	55,000	55,000	0	55,000	
	Options for Women Over Forty	30,000	0	0	0	0	
128	Potrero Hill Community Development Corporation	32,655	32,000	32,000	0	32,000	
129	Potrero Hill Neighborhood House Child Development Center	20,000	20,000	20,000	0	20,000	
129	Project Excel II - Career Resources Development Center	115,370	67,842	67,842	0	67,842	
	Renassance Technical Training Institute	30,443	0	0	0	0	
130	Samoa mo Samoa, Inc.	40,000	35,000	13,750	(21,250)	13,750	
	San Francisco Interdenominational Police Clergy Council	250,000	0	0	0	0	
	San Francisco Bar Association/Volunteer Legal Services	50,000	0	0	0	0	
	San Francisco Conservation Corps	52,627	0	0	0	0	
131	San Francisco Educational Services	95,000	50,000	50,000	0	50,000	
131	San Francisco Food Bank	22,500	22,500	12,500	(10,000)	12,500	

\* The Budget Analyst makes no recommendations for funding new programs or increases in existing programs.

\*\* The Budget Analyst recommends that \$86,359 be reserved (see page 119).

REVISED SUMMARY OF REQUESTS AND RECOMMENDATIONS

Page NO.	Program or Recipient	1993 Agency Request	1992 Budget	1993 MOCD Proposed Budget	Increase (Decrease) Over 1992 Funding	Budget Analyst Recommendations Amount to be Funded	Amount to be Reduced
	<b>VIII. Public Services Program (continued)</b>						
	San Francisco Housing Development Corporation	\$108,669	\$0	\$0	\$0	\$0	
	San Francisco Neighborhood Legal Assistance Foundation	0	41,669	0	(41,669)	0	
132	San Francisco Organizing Project (SFOP)	80,000	0	48,000	48,000	24,000 *	
133	San Francisco Women Lawyers Alliance Foundation	18,000	10,000	18,000	8,000	10,000 *	
133	Self Help for the Elderly	87,312	0	50,380	50,380	50,380	
	St Francis Nutrition & Social Services Centers	63,700	0	0	0	0	
134	St. Vincent de Paul Society of San Francisco	72,320	45,000	45,000	0	45,000	
	Success Training Program	172,750	0	0	0	0	
	Support for Parents with Special Children	25,800	0	0	0	0	
134	Swords to Plowshares	83,073	0	35,000	35,000	—	*
135	Tenderloin Housing Clinic, Inc.	87,450	0	87,450	87,450	87,450	
136	Third Baptist Church Ethiopian Refugee Resettlement	81,139	46,600	46,600	0	46,600	
	Tigra Community in Northern California	89,034	0	0	0	0	
	Tigra Community in Northern California	99,334	0	0	0	0	
136	Travelers Aid San Francisco	60,050	0	36,600	36,600	36,600	
137	Volunteer Center of San Francisco	36,899	30,000	30,000	0	30,000	
	Volunteers of American Bay Area, Inc.	30,000	0	0	0	0	
137	West Bay Filipino Multi-Service Corporation	80,000	0	50,000	50,000	50,000	
138	Whitney Young Child Development Center, Inc.	89,304	77,160	77,160	0	77,160	
139	Young Community Developers, Inc.	144,618	25,375	25,000	(375)	25,000	
	Young Community Developers, Inc.	98,638	0	0	0	0	
139	Youth for Service	35,000	10,000	10,000	0	10,000	
	<b>Subtotal: Public Services Program</b>	<b>\$9,084,864</b>	<b>\$3,973,409</b>	<b>\$4,601,671</b>	<b>\$628,262</b>	<b>\$4,350,958</b>	<b>\$0</b>
	<b>IX. Economic Development</b>						
145	Asian, Inc.	\$249,058	\$192,000	\$192,000	\$0	\$192,000	
146	Mission Economic Development Association	281,053	220,500	198,450	(22,050)	198,450	
147	Urban Economic Development Corporation (UEDC)	218,700	175,000	175,000	0	175,000	
147	Mayor's Office of Economic Planning & Development	462,551	370,000	432,700	62,700	370,000 *	
	<b>Subtotal: Economic Development</b>	<b>\$1,211,362</b>	<b>\$957,500</b>	<b>\$998,150</b>	<b>\$40,650</b>	<b>\$935,450</b>	<b>\$0</b>
	<b>X. Business Ventures by Non-Profits</b>						
	African American Historical & Cultural Society	\$0	\$15,000	\$0	(\$15,000)	\$0	
153	Conard House, Inc.	30,000	0	20,000	20,000	20,000	
	Friends of The Mission Cultural Center	0	15,000	0	(15,000)	0	
	Japanese Community Youth Council	0	45,000	0	(45,000)	0	
	La Raza Information Center, Inc.	0	12,000	0	(12,000)	0	
	Magic Years Infant and Child Care Programs	10,250	0	0	0	0	
153	Mission Cultural Center	20,000	0	13,000	13,000	13,000	
153	Mission Economic & Cultural Association (MECA)	25,000	25,000	20,000	(5,000)	20,000	

\* The Budget Analyst makes no recommendations for funding new programs or increases in existing programs.

\*\* The Budget Analyst recommends that \$58,418 be reserved (see page 149).

Page No.	Program or Recipient	1993 Agency Request	1992 Budget	1993 MOCD Proposed Budget	Increase (Decrease) Over 1992 Funding	Budget Analyst Recommendations	
						Amount to be Funded	Amount to be Reduced
154	<b>X. Business Ventures by Non-Profits (continued)</b>						
	Mission Language & Vocational School	\$47,828	\$0	\$0	\$0	\$0	
	National Human Service Coalition	1,000,000	0	0	0	0	
	Options for Women Over Forty	0	40,000	0	(40,000)	0	
	Refugee Transitions	0	17,000	0	(17,000)	0	
	Self-Help for the Elderly	30,000	20,000	30,000	10,000	20,000 *	
154	Shanti Project	0	35,000	0	(35,000)	0	
	The Marshall Group	104,000	0	0	0	0	
	Vietnamese Fishermen Association of America	0	20,000	0	(20,000)	0	
	YMCA of San Francisco (Central Branch)	0	20,000	0	(20,000)	0	
	Youth Guidance Center Improvement Committee	45,000	45,000	40,000	(5,000)	40,000	
	<b>Subtotal: Business Ventures by Non-Profits</b>	<b>\$1,312,078</b>	<b>\$309,000</b>	<b>\$123,000</b>	<b>(\$186,000)</b>	<b>\$113,000</b>	<b>\$0</b>
157	<b>XI. Self Employment and Enterprise Development</b>						
	Career Resources Development Center (COPE)	\$99,433	\$75,000	\$85,000	\$10,000	\$75,000 *	
	Center for Southeast Asian Refugee Resettlement	106,500	94,000	100,100	6,100	94,000 *	
	Safety-Med Sales Company	85,000	0	0	0	0	
	San Francisco Renaissance	150,000	88,500	88,500	0	88,500	
	S F Renaissance Micro Business Incubator (MBI) Prog.	50,000	35,000	50,000	15,000	35,000 *	
160	Tigray Community In Northern California	95,834	0	0	0	0	
	Women's Initiative for Self Employment	91,645	60,000	70,000	10,000	60,000 *	
	Wu Yee Children's Services	49,000	49,000	49,000	0	49,000	
	<b>Subtotal: Self Employment &amp; Enterprise Development</b>	<b>\$727,412</b>	<b>\$401,500</b>	<b>\$442,600</b>	<b>\$41,100</b>	<b>\$401,500</b>	<b>\$0</b>
164	<b>XII. Program Pools for Special Needs</b>						
	Family Day Care Program Pool	\$220,000	\$161,033	\$220,000	\$59,967	\$161,033 *	
	DPH/Homeless Services Program Pool	500,000	500,000	550,000	50,000	0 *	
	Disability Access Program Pool	500,000	500,000	500,000	0	500,000	
	Lead Hazard Prevention Program Pool	500,000	0	500,000	500,000	500,000	**
	<b>Subtotal: Program Pools for Special Needs</b>	<b>\$1,720,000</b>	<b>\$1,161,033</b>	<b>\$1,770,000</b>	<b>\$608,967</b>	<b>\$1,161,033</b>	<b>\$0</b>
174	<b>XIII. Program Administration</b>						
	City Attorney	\$49,428	\$14,740	\$20,000	\$5,260	\$13,900	\$6,100
	Disability Concerns Unit	87,385	87,385	86,883	(502)	85,957	926
	Human Rights Commission (HRC)	199,370	139,447	139,442	(5)	126,101	13,341
	Indirect Costs and Controller's Office	100,000	100,000	100,000	0	100,000	
	Mayor's Office of Housing/Office of Community Development	2,378,078	2,156,689	2,237,718	81,029	2,110,448	127,270
188	San Francisco Department of City Planning (DCP)	45,273	20,000	27,800	7,800	20,850	6,950
	Subgrantee Audits	100,000	100,000	100,000	0	100,000	***
	<b>Subtotal: Program Administration</b>	<b>\$2,959,534</b>	<b>\$2,618,261</b>	<b>\$2,711,843</b>	<b>\$93,582</b>	<b>\$2,557,256</b>	<b>\$154,587</b>

\* The Budget Analyst makes no recommendations for funding new programs or Increases In existing programs.

\*\* The Budget Analyst recommends that \$500,000 for the Lead Hazard Prevention Program Pool be reserved (see page 170).

\*\*\* The Budget Analyst recommends that \$8,430 for MOCD Administration be reserved (see page 187).

\*\*\*\* The Budget Analyst recommends that \$100,000 be reserved (see page 189).



REVISED SUMMARY OF REQUESTS AND RECOMMENDATIONS

Page NO.	Program or Recipient	1993 Agency Request	1992 Budget	1993 MOCD Proposed Budget	Increase (Decrease) Over 1992 Funding	Budget Analyst Recommendations Amount to be Funded	Amount to be Reduced
193	<b>XIV. Planning &amp; Capacity Building</b>						
	California Lawyers for the Arts	\$15,000	\$0	\$15,000	\$15,000	\$0 *	
	Chinatown Economic Development Group, Inc.	175,000	0	0	0	0	
193	Community Board Program	29,800	13,000	15,500	(13,000)	15,000 *	
	Community Educational Services	0	15,000	0	500	0	
	Community Outreach & Pre-Enterprise Services	35,000	12,000	35,000	(12,000)	35,000 *	
194	Mission Housing Development Corporation	15,000	0	15,000	15,000	—	
194	Northern California Services League	80,000	0	27,000	27,000	—	
195	Oceanview-Marcoed Heights Ingleside/Neighbors in Action	50,000	24,000	29,000	5,000	24,000 *	
196	South of Market Foundation (SOMF)	24,470	0	10,000	10,000	—	
196	Swords To Plowshares	50,000	11,000	50,000	39,000	11,000 *	
197	Technical Assistance for Nonprofit Organizations	0	12,000	0	(12,000)	0	
197	Urban Economic Development Corporation	96,977	0	30,000	30,000	—	
	Women's Alcoholism Center	\$571,247	\$122,000	\$226,500	\$104,500	\$85,000	\$0
	<b>Subtotal: Planning &amp; Capacity Building</b>						
200	<b>XV. Contingency</b>	\$0	\$71,397	\$169,839	\$98,442	\$169,839	\$0
	<b>Total - CDBG Program</b>	<b>\$34,963,142</b>	<b>\$18,972,077</b>	<b>\$21,708,373</b>	<b>\$1,614,838</b>	<b>\$19,754,895</b>	<b>\$159,915</b>
	<b>XVI. Program Income</b>						
	San Francisco Redevelopment Agency	\$575,000	\$240,000	\$575,000	\$335,000	\$0	
202	South of Market Public Space Improvements	7,974,000	16,600,000	7,974,000	(8,626,000)	575,000	
202	Yerba Buena Center Gardens	312,000	340,000	312,000	(28,000)	312,000	
202	Central Relocation Services	150,000	200,000	150,000	(50,000)	150,000	**
202	PS - Hunters Point Hrfing Hall (Young Community Developers)	220,000	220,000	220,000	0	220,000	**
202	PS - SOMA Hiring Hall (Mission Hiring Hall)	150,000	150,000	150,000	0	150,000	**
202	ED - SOMA Assistance to Business	190,000	210,000	190,000	(20,000)	190,000	**
202	ED - IB/WA/South Bayshore (Urban Economic Davel Corp)	0	100,000	0	(100,000)	0	
202	ED - SOMA Small Business Loan Program	1,860,000	2,398,000	1,860,000	(538,000)	0	1,860,000
202	Hunters Point Business Assistance Program	2,000,000	2,000,000	2,000,000	0	0	2,000,000
202	Chinatown Business Assistance Program	696,000	100,000	696,000	596,000	696,000	
202	Planning - Land-Use Studies - HP Shipyard	450,000	250,000	450,000	200,000	450,000	
202	Planning - South Bayshore Plan	150,000	0	150,000	150,000	150,000	
202	Planning - South of Market Plan	0	270,000	0	(270,000)	0	
	<b>Project Planning &amp; Housing Site Improvement</b>						
203	<b>Administration</b>						
	<b>Total - Program Income</b>	<b>1,316,000</b>	<b>895,000</b>	<b>1,316,000</b>	<b>421,000</b>	<b>1,316,000</b>	<b>\$3,860,000</b>
	<b>Total - CDBG Program &amp; Program Income</b>	<b>\$51,006,142</b>	<b>\$42,945,077</b>	<b>\$37,751,373</b>	<b>(\$6,315,162)</b>	<b>\$31,937,895</b>	<b>\$4,019,915</b>

\* The Budget Analyst makes no recommendations for funding new programs or increases in existing programs.  
 \*\*\* The Budget Analyst recommends that \$710,000 for these four nonprofit organizations be reserved (see page 205).

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NOVEMBER 19, 1992

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NOTICE OF CANCELLED MEETING  
FINANCE COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Finance Committee for Wednesday, November 25, 1992, at 2:00 p.m., has been cancelled.

The next regular meeting of the Finance Committee will be held on Wednesday, December 2, 1992, at 2:00 p.m., in the Legislative Chamber, Second Floor, City Hall.

A handwritten signature in cursive script, appearing to read "John L. Taylor".

JOHN L. TAYLOR  
Clerk of the Board

POSTED: NOVEMBER 19, 1992

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**CALENDAR** - *Actions Taken*

**MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO**

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WEDNESDAY, DECEMBER 2, 1992 - 2:00 P.M.

LEGISLATIVE CHAMBER  
2ND FLOOR, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

ABSENT: SUPERVISOR HALLINAN - ITEMS 9-16, and 18-21

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

1. File 100-92-9. Hearing to consider the City's efforts to secure anticipated revenues and fund transfers needed to balance the 1992-93 fiscal year budget for the City and County of San Francisco. (Supervisor Gonzalez)  
(Cont'd from 11/18/92)

ACTION: Hearing held. Continued to December 16, 1992, meeting.

2. File 27-92-11. [Airport Advance] Resolution authorizing agreement by and between the City, the Airports Commission and various airlines regarding an advance payment to the City of \$25 million from the Airports' Capital Improvement Fund. (Supervisor Gonzalez)

ACTION: Recommended.

3. File 170-92-13. [Airport Revenue Bonds] Resolution approving the issuance of up to \$2,400,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds in up to fifteen separate issues for the purpose of financing Airport Master Plan Projects, and approving maximum interest rates with respect thereto; and adopting findings pursuant to the California Environmental Quality Act. (Supervisor Gonzalez)

ACTION: Amendment of the Whole bearing same title adopted. Recommended as amended.

4. File 101-92-11. [Government Funding] Ordinance appropriating \$2,400,000,000, San Francisco International Airport, for Capital Improvement Project, for fiscal year 1992-93. RO #92099 (Controller)

ACTION: Recommended.

5. File 101-92-13. [Government Funding] Ordinance appropriating \$12,020,375, Water Department, for various capital improvement projects, rescinding \$4,700,000. RO #92103 (Supervisor Gonzalez)

ACTION: Recommended.

6. File 100-92-11. [Water Department Funds] Motion transferring to the General Fund excess Water Department monies, in the amount of \$4,700,000, pursuant to Charter Section 6.407(e), effective July 1, 1992. RO #92104 (Supervisor Gonzalez)

ACTION: Recommended.

7. File 101-92-14. [Government Funding] Ordinance appropriating \$10,716,761, Hetch Hetchy Water and Power, for various capital improvement projects. RO #92102 (Supervisor Gonzalez)

ACTION: Recommended.

8. File 100-92-10. [Hetch Hetchy Department Funds] Motion transferring to the General Fund excess Hetch Hetchy Department monies, in the amount of \$2,500,000, pursuant to Charter Section 6.407(e), effective July 1, 1992. RO #92105 (Supervisor Gonzalez)

ACTION: Recommended.

9. File 101-92-12. [Government Funding] Ordinance appropriating \$335,134, Superior Court, for professional and other contractual services, services of other departments – Real Estate, Public Health, City Planning, courthouse construction. RO #92101 (Supervisor Migden)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$304,667, Superior Court, for professional and other contractual services, services of other departments – Real Estate, Public Health, City Planning, courthouse construction; placing \$214,267 on reserve."

10. File 68-92-12. [Federal Grant – Substance Abuse Prevention] Resolution amending Resolutions 858-90 and 116-91, authorizing the Mayor to apply for, accept and expend funds in the amount of \$721,186, as made available through the Federal Office for Substance Abuse Prevention for a project entitled "The Community Partnership Program", by authorizing the Mayor to apply for, accept and expend funds in the amount of \$1,273,997. (Supervisor Migden)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Authorizing the Mayor to apply for, accept and expend funds in the amount of \$1,273,997, as made available through the Federal Office for Substance Abuse Prevention for Calendar Year 1993, for a project entitled "The Community Partnership Program", which includes indirect costs of \$35,161; ratifying actions previously taken; and placing \$196,000 on reserve."



11. File 172-92-15. [Project Lease] Ordinance approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate (including certain indemnities and the release of the seller contained therein), an assignment of agreement of purchase and sale for real estate, a facilities lease (including certain indemnities contained therein), a trust agreement (including certain indemnities contained therein), and an official statement; authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco certificates of participation (1660 Mission Street Project) Series 1993; authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval; authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the certificates of participation; and adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property; companion measure to File 97-92-61. (Chief Administrative Officer)  
(Cont'd from 11/18/92)

ACTION: Amendment of the Whole bearing same title adopted. Recommended as amended.

12. File 97-92-61. [Fee Surcharges] Ordinance amending Administrative Code by adding Chapter 10F, to establish a surcharge on plan, permit, environmental review, and related fees to recover costs for acquiring office space at 1660 Mission Street; companion measure to File 172-92-15. (Chief Administrative Officer)  
(Cont'd from 11/18/92)

ACTION: Recommended.

13. File 170-92-12. [Reimbursement from Bond Proceeds] Resolution declaring official intent of the City and County of San Francisco to reimburse funds from proceeds of taxable or tax-exempt indebtedness for certain expenditures incurred in connection with the following projects; (1) providing loans for the seismic strengthening of unreinforced masonry buildings devoted to affordable housing and to market-rate residential, commercial and institutional uses; and (2) the construction and reconstruction of Fire Department facilities. (Chief Administrative Officer)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Declaring official intent of the City and County of San Francisco to reimburse funds from proceeds of taxable or tax-exempt indebtedness for certain expenditures incurred in connection with the construction and reconstruction of Fire Department facilities."

14. File 68-92-11. [Grant - Federal Funds] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$1,062,500 in year one and \$750,000 in each subsequent year through September 29, 1997, which include indirect costs in the amount of \$21,250 year one, or two percent of the total grant award here after, made available through the Department of Health and Human Services, Office of Human Development for a project entitled "San Francisco Gang Prevention Project; and agreeing to provide in-kind match in the amount of \$459,207; providing for ratification of action previously taken. (Mayor)

ACTION: Recommended.

15. File 172-92-16. [Airport – Public Pay Telephone Agreement] Resolution approving the "Public Pay Telephone Agreement" between Pacific Bell and the City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION: Recommended.

16. File 173-92-4. [Approval of Hold Harmless Agreement] Resolution authorizing the Port of San Francisco to agree to hold the State of California harmless from all claims arising from State Lands Commission processing of a dredging permit. (Port Commission)

ACTION: Amended. (See file for details.) Recommended as amended.

17. File 51-92-3. Transmitting claims of employees, various departments, for reimbursement for personal property damaged and/or stolen in the line of duty. (Various)

July, August, September 1992

ACTION: Continued to December 16, 1992, meeting.

18. File 82-92-9. [Property Acquisition – Noise Easements] Resolution authorizing the acquisition of one hundred additional noise easements in the City of South San Francisco in their Phase VII Program – \$250,000. (Real Estate Department)

ACTION: Recommended.

19. File 65-92-14. [Lease of Property] Ordinance authorizing lease of Water Department land, approximately .71 acres of pipeline right-of-way in Santa Clara County to the Roman Catholic Bishop of San Jose. (Public Utilities Commission)

ACTION: Recommended.

20. File 106-92-2. [Salary and Wage Division] Resolution authorizing Civil Service Commission to expend funds to conduct the 1993-94 Salary Survey. (Civil Service Commission).

(Transferred from Administration and Oversight Committee 11/17/92 – Fiscal Impact)

ACTION: Recommended.

21. File 106-92-3. [Salary and Wage Division] Resolution fixing highest generally prevailing wage rates, private employment on public contracts. (Civil Service Commission).

(Transferred from Administration and Oversight Committee 11/17/92 – Fiscal Impact)

ACTION: Recommended.



SPECIAL ORDER - 3:00 P.M.

22. File 260-92-1. [Removal of Funds from Bank of America] Resolution urging the transfer of two city remittance banking accounts from the Bank of America, urging the transfer of City revolving banking accounts from the Bank of America, urging that Bank of America not be used for the City's proposed direct payroll deposit program, and urging all officers and employees of the City and County, when given the opportunity to utilize the services of a financial institution for the City, to consider the use of financial institutions other than the Bank of America.  
(Supervisor Achtenberg)  
(Cont'd from 11/18/92)

**ACTION:** Recommended to Board for consideration on December 14, 1992.



CITY AND COUNTY



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BUDGET ANALYST

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November 30, 1992

**TO:** *///* Finance Committee  
**FROM:** *///* Budget Analyst *Recommendations*  
**SUBJECT:** *///* December 2, 1992 Finance Committee Meeting

Item 1 - File 100-92-9

**Note:** This item was continued at the November 18, 1992, Finance Committee meeting.

This item is a hearing to consider the City's efforts to secure anticipated revenues and fund transfers needed to balance the 1992-93 fiscal year budget for the City and County of San Francisco.

On October 27, 1992, a joint report was issued by the Mayor's Budget Office, the Controller and the Budget Analyst on the status of matters which are still pending action to balance the FY 1992-93 budget. These matters include the following:

Airport Advance - (\$25 million): Item No. 2 of this Finance Committee report is a resolution authorizing an agreement between the City, the Airports Commission, and various airlines regarding advance payment to the City of \$25 million from the Airport's Capital Improvement Fund.

PUC Equity Transfers and Land Sale - (\$7.2 million): These PUC funds include equity transfers from the Water Department (\$4.7 million) including \$2.2 million from the proposed sale of the Water Department property to the Olympic Club and Hetch Hetchy (\$2.5 million). Item Nos. 6 and 8 of this Finance Committee report, respectively, are motions for the Board of Supervisors to transfer to the General Fund excess Water Department and Hetch Hetchy Department monies in the total amount of \$7.2 million (\$4.7 million plus \$2.5 million), pursuant to the provisions of Charter Section 6.407(e).

**Port Transfer - (\$1 million)** The FY 1992-93 budget approved by the Board of Supervisors already includes the \$1 million transfer from the Port to the City's General Fund. However, the City Attorney has raised some questions regarding the legality of this transfer of funds, and is currently reviewing this issue. The City Attorney is anticipated to issue an opinion on this matter, in the immediate future.

Item 2 - File 27-92-11

**Department:** Airports Commission

**Item:** Resolution authorizing an agreement by and between the City, the Airports Commission and various airlines regarding an advance payment to the City of \$25 million from the Airport's Capital Improvement Fund.

**Amount:** \$25 million

**Description:** To offset the City's 1992-93 budget shortfall, it was proposed by the Mayor's Office that the Airport advance \$25 million of surplus funds from the Airport's Capital Improvement Fund to the City's General Fund. The proposed resolution would authorize this agreement by and between the City, the Airports Commission and the 19 airlines operating at San Francisco International Airport regarding this \$25 million advance payment to the City. According to the Airport, the 19 airlines have approved the proposed \$25 million advance.

The proposed \$25 million advance would be repaid to the Airport from future, annual payments of Airport concession revenues to the General Fund. Currently, the Airport is required to pay 15 percent of its gross receipts received from concession revenues to the City's General Fund. This payment is estimated at \$15 million for Fiscal Year 1992-93. The annual payment from the Airport to the City of 15 percent of concession revenues is in accordance with the Airport's 1981 Lease and Use Agreement (settlement agreement).

The proposed \$25 million advance was agreed to by the 19 airlines which are signatory to the 1981 settlement agreement. The previously noted payments from Airport concession revenues are paid to the City on a quarterly basis. The \$25 million advanced to the City this year would be deducted from future year concession revenue payments from the Airport to the City's General Fund, and would be entirely repaid after seven years, according to Ms. Angela Gittens of the Airport. Ms. Gittens advises that the impact of repayment is expected to diminish as concession revenues increase.

**Comments:** 1. The City would be required to pay interest on the \$25 million advance. The rate of this interest would be equal to either the interest rate of the Treasurer's pooled cash investment fund, or of the Airport bonds that are issued, whichever is higher. Establishing the interest rate in this way would guarantee that the \$25 million loan would earn as much for the Airport as

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

would be earned on the funds if the Airport had not made the advance.

2. The \$25 million would be transferred to the City on June 30, 1993. The repayment of the advance by the City to the Airport would be made on a quarterly basis beginning September 30, 1993. Based on an estimated interest rate of 6.5 percent, the City's General Fund will be required to repay \$1,625,000 in interest during FY 1993-94 or \$406,250 per quarter. The quarterly payment mechanism would consist of the Airport deducting an estimated \$406,250 from its estimated \$3.75 million quarterly concession revenue payment to the City's General Fund, so that the City would receive an estimated net amount of \$3,343,750 quarterly in 1993-94.

3. The \$1,625,000 paid to the Airport for the first year would consist entirely of interest payments, and would not diminish the principal amount owed. The City would begin to make payments toward the principal during the second year of the loan. Attached is the proposed quarterly repayment schedule as proposed in the Advance Agreement.

4. The proposed loan would benefit the City in that it would ameliorate the large budget reductions over the balance of Fiscal Year 1992-93 that would otherwise have to be made in order to compensate for the loss of State funding.

5. A copy of the draft agreement includes Section 3.1 Issuance of Additional Revenue Bonds to Meet Future Air Transportation Needs which states the following; "The City will use its best efforts to issue Airport revenue bonds in an amount sufficient to fund necessary and appropriate elements of the (Airport's) Master Plan." According to Ms. Gittens, the airlines requested this provision to ensure that the proposed agreement will not affect the financing of the Master Plan. However, the issuance of revenue bonds (see Items 3 and 4, Files 101-92-11 and 170-92-13 of this report which would approve the issuance and appropriation of \$2.4 billion in Airport Second Series Revenue Bonds for the purpose of financing the Airport's Master Plan projects) is not directly related to the proposed agreement regarding the \$25 million advance from the Airport to the General Fund. In addition, under Section 2.6 Future Assistance of the proposed agreement, there is language which states, "...the City will not assess, appropriate or take any other action, either directly or indirectly, to cause the City to receive any additional Airport revenues, funds or monies during any period in which any reimbursement obligation remains outstanding pursuant to this agreement."



6. The Budget Analyst believes that Section 2.6 Future Assistance, should be sufficient language to prevent the City from taking further capital improvement funds from the Airport and that Section 3.1 Issuance of Additional Revenue Bonds to Meet Future Air Transportation Needs would still require separate legislative action by the Board of Supervisors in order to approve Airport revenue bond requests. As such, the Budget Analyst believes that the inclusion of Section 3.1 Issuance of Additional Revenue Bonds to Meet Future Air Transportation Needs is a policy matter for the Board of Supervisors.

**Recommendation:** Because the City's FY 1992-93 budget includes the \$25 million advance payment from the Airport, approve the proposed resolution. However, the inclusion of Section 3.1 Issuance of Additional Revenue Bonds to Meet Future Air Transportation Needs is a policy matter for the Board of Supervisors as described in Comments 5 & 6 above.



Schedule 2

Advance of Annual Service Payment

Repayment Schedule

<u>Fiscal Year</u>	<u>Quarterly Payment</u>
93/94	Interest Only
94/95	Interest Plus 1.25% of Advance Amount
95/96	Interest Plus 2.5% of Advance Amount
96/97	Interest Plus 3.75% of Advance Amount
97/98	Interest Plus 5.0% of Advance Amount
98/99	Interest Plus 6.25% of Advance Amount
90/00	Interest Plus 6.25% of Advance Amount

Items 3 and 4 - Files 170-92-13 and 101-92-11

**Department:** San Francisco Airports Commission

**Items:** Ordinance appropriating \$2,400,000,000 in Master Plan Bond proceeds for Near Term Master Plan Projects including construction, capitalized interest, reserve funds and bond underwriter discount and issuance costs (File 101-92-11).

Resolution approving the issuance of up to \$2,400,000,000 in San Francisco International Airport Second Series Revenue Bonds which may be divided into as many as 15 separate issues for the purpose of financing Airport Master Plan Projects, and approving a minimum interest rate for those bonds (File 170-92-13).

**Amount:** Not to exceed \$2,400,000,000

**Source of Funds:** Airport Revenue Bonds

**Description:** Section 17.306(a) of the City Charter provides that the Airports Commission has the authority to issue Airport Revenue Bonds for the purpose of acquiring, constructing, improving or developing Airport facilities, subject to the approval of the Board of Supervisors. The Airports Commission has authorized the issuance of not to exceed \$2.4 billion aggregate principal amount of its San Francisco International Airport Second Series Revenue Bonds in up to 15 separate bond issues, known as the Master Plan Issues, for the purpose of financing the Near Term Master Plan Projects. The proposed resolution (File 170-92-13) would authorize the Airports Commission to issue up to \$2.4 billion in bonds for the purposes identified in the companion Supplemental Appropriation (File 101-92-11) which would appropriate the requested funds as follows:

<u>Category</u>	<u>Amount</u>
Construction	\$1,802,000,000
Capitalized Interest	336,000,000
Reserve Funds	206,000,000
Underwriter Discount and Issuance Costs	<u>56,000,000</u>
Total	\$2,400,000,000

Under the provisions of the Charter, the bonds issued by the Airports Commission are obligations of the Airport and neither the credit nor taxing power of the City is pledged to the payment of the principal or interest of these bonds.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Rather, the bond interest and redemption payments are supported solely by Airport revenues.

The Charter also specifies in Section 7.306(b) that Revenue Bonds issued by the Airport shall bear a rate of interest not to exceed that which may be fixed by the Airports Commission subject to approval by the Board of Supervisors. In accordance with State law, the proposed resolution would establish maximum rates of interest for each of the up to 15 Master Plan Bond Issues as follows: 12 percent per annum with respect to bond issues, the interest income due and payable on which is excluded from gross income for Federal income tax purposes; and 15 percent per annum with respect to bond issues, the interest on which is included in gross income for federal income tax purposes.

The Airport's financial advisors, Lazard Freres & Company and Grigsby Brandford & Company, a Minority Business Enterprise (MBE), estimate that the bonds can actually be sold at an interest rate between 6.3 and 6.5 percent for issues in which the interest earned is excluded from Federal income taxes, and between 7.5 to 8.0 percent for issues in which the interest earned is included for Federal income tax purposes. Because Airport bond debt service is paid from net Airport revenues received from the airlines and concessionaires doing business at the Airport, all prospective bond issuances must be approved by the Airline Affairs Committee which is composed of representatives from the 19 airlines operating at San Francisco International Airport. The Airline Affairs Committee has approved the proposed new bonds with a stipulation that the interest rate cannot exceed 12 percent for bond issues in which the interest earned is excluded from Federal income taxes and cannot exceed 15 percent for bond issues in which the interest earned is included for Federal income tax purposes.

On November 3, 1992, the Airports Commission approved the new Master Plan for San Francisco International Airport which includes the Near Term Master Plan Projects estimated to cost \$1,919,427,000 (listed in Attachment I) and (located by letter on the map in Attachment II). Both attachments were provided by the Airport. According to Mr. John Martin of the Airport, the difference of \$117,427,000 between the \$1,919,427,000 total construction cost of the Near Term Master Plan Projects and the \$1,802,000,000 total construction cost component in the total \$2.4 billion in Master Plan Bond proceeds is the anticipated interest income to be earned by the Airport which will be accumulated over the

next four years from the sale of up to fifteen separate bond issues.

The \$1,919,427,000 identified for construction projects would accomplish the following:

### **Terminals**

International Terminal (A, see Attachment II), \$317,906,000 - Construction of the new International Terminal will require the phased demolition and reconstruction of Boarding Area B, ultimately providing a new facility of approximately 500,000 square feet. Boarding Area B, Phase I, will provide replacement gates during the construction of Boarding Area A and will provide additional domestic gates to satisfy the long-term forecast demand.

Boarding Area A, Phase I (B, see Attachment II), \$154,103,000 - Construction of the new International Terminal will require the phased demolition and reconstruction of Boarding Area B, ultimately providing a new facility of approximately 500,000 square feet. Boarding Area B, Phase I, will provide replacement gates during the construction of Boarding Area A and will provide additional domestic gates to satisfy the long-term forecast demand.

Boarding Area G (C, see Attachment II), \$162,384,000 - A new Boarding Area "G", approximately 350,000 square feet, adjacent to the North Terminal, will be identical to new Boarding Area "A" and does not replace an existing boarding area.

Boarding Area B - Phase I (D, see Attachment II), \$109,852,000 - Construction of the new International Terminal will require the phased demolition and reconstruction of Boarding Area B, ultimately providing a new facility of approximately 500,000 square feet. Boarding Area B, Phase I, will provide replacement gates during the construction of Boarding Area A and will provide additional domestic gates to satisfy the long-term forecast demand.

Boarding Area D Remodel (R, see Attachment II), \$24,500,000 - The existing International Terminal and Boarding Area D will be renovated and converted into a domestic terminal. The square footage and number of gates currently in use will remain approximately the same.



### **Air Freight/Airline Maintenance**

Plot 1 Cargo Maintenance Facility (P, see Attachment II) - \$44,392,000 - The existing Plot 1 facilities will be demolished and a smaller replacement facility will be located to the north of the existing site to accommodate the construction of the Boarding Area "A".

West Field Cargo/Maintenance Facility - Phase 1 (F, see Attachment II) - \$39,680,000 - The West Field Cargo/Maintenance Area will provide both replacement and new buildings for airfreight and aircraft maintenance operations. This area will provide the flexibility to accommodate both airfreight and aircraft maintenance facilities in several building totaling approximately 325,000 square feet. The facilities will consist of high-bay buildings with truck loading-unloading on the landside and aircraft hardstands on the airside.

North Field Cargo/Maintenance Facility - (G, see Attachment II) - \$49,600,000 - The North Field Cargo/Maintenance Area will be configured to accommodate a more efficient facility configuration and provide additional aircraft parking area. The facilities to be developed in this area represent both new and replacement buildings for airfreight and/or aircraft maintenance functions. Approximately 432,000 square feet will be constructed in the area, consisting of both high-bay airfreight buildings and/or aircraft maintenance hangars. Airside access is provided via Taxiway C and landside access via the North Field Access Road.

Remodel TWA Cargo Facility (Q, see Attachment II) - \$6,125,000 - The TWA Cargo Facility, located to the South of Boarding Area A, will be reconfigured to accommodate the planned extension of Taxiways A and B at the South Terminal.

### **Airport Support**

Multipurpose Facility (I, see Attachment II) - \$3,100,000 - The multipurpose Airport operations facility will replace a number of the emergency contingency functions currently located in Building 1000 and will provide high-security VIP processing. The multilevel facility will consist of approximately 15,000 square feet with an apron Area located adjacent to Taxiway C for aircraft parking. Ground access on the landside will be provided via the realigned North Field Access road.

Relocation of Crash Fire Rescue (CFR)/Support Building (J, see Attachment II) - \$5,268,000 - The existing CFR support building of approximately 12,000 square feet is to be relocated from its current location on the east side of CFR Building 1. The facility is utilized for the storage of equipment required to maintain CFR operations at the Airport. The existing CFR Building 1 will have to be relocated due to the clearance requirements for the proposed adjacent B747-400 taxiway.

### **General Aviation**

Fixed Based Operator/General Aviation (FBO/GA) Building (E, see Attachment II) - \$19,840,000 - The existing FBO, located at the end of Road R-6, and the Chevron general aviation facilities, located on Plot 85, with a combined building area of 88,112 square feet, will be relocated to the East Field area in a 90,000 square foot facility. The current location will be utilized for roadway extension and cargo/maintenance facilities.

### **Commercial**

Service Station (S, see Attachment II) - \$1,225,000 - The existing Chevron Service Station, consisting of an approximately 1,000 square foot facility and adjoining exterior service area, will be relocated to Lot CC. The current location on the north side of the terminal access road will be utilized by the proposed Ground Transportation Center.

### **Transportation**

Ground Transportation Center (K, see Attachment II) - \$269,945,000 - The development of a six-floor Ground Transportation Center will provide a centralized processing point for passengers arriving or departing the Airport via rental cars, shuttle van or buses. The facility will provide 2.5 million square feet of space and will be composed of two multi-level structures that will flank each side of the Airport's entry roadway and share the two-level arrival and departure roadway with the proposed new International Terminal. This facility will significantly reduce the vehicular demand on the existing terminal loop roadways. Passengers will access the terminal via the Airport Light Rail System (ALRS) from within the Ground Transportation Center. The facility will free up limited terminal roadway and curb space utilized by private vehicles, thereby relieving congestion on the roadways during peak-hour periods.

Airport Light Rail System - Phase I (see Attachment III) \$330,990,000\* The Airport Light Rail System (ALRS) will connect the Ground Transportation Center to the terminal areas. The ALRS will have a fixed dual guideway support system forming two independent loops with vehicles moving in opposite directions. The existing terminals will be served by stations along the front entrances at each boarding area on both the upper and lower levels. The new International Terminal will be served by an elevated station in the atrium above the terminal's third level. The Ground Transportation Center will have four stations serving the transportation lobby and rental car counters. The system will cross over the Bayshore Freeway (US 101), to a mass transit station west of US 101, cross back over US 101 and then proceed north along the Airport's frontage road to serve remote parking facilities and major Airport employment centers, including the United Airlines Maintenance Base. In June 1992, the Metropolitan Transportation Commission (MTC), Bay Area Rapid Transit (BART) District Board and San Mateo County Transit District (SamTrans) agreed to extend BART to a transportation center on Airport property adjacent to the CalTrain tracks west of US 101. This transportation center is expected to be operational by 1997 serving CalTrain, SamTrans, and all areas of the Airport via an extension from the ALRS. It is expected that the BART extension to the Airport would not be completed until 2003, six years after the completion of the ALRS and the transportation center connecting CalTrain and SamTrans with the Airport. The last stop of BART to the Airport would be 1.5 miles from the Airport. At that point, BART passengers going to the Airport would transfer to the ALRS to complete their trip to one of many passenger and employee destination points at the Airport.

\*Total of \$349,600,000 with the related Airport Light Rail System Maintenance Facility (see below).

Airport Light Rail System Maintenance Facility (see Attachment III) - \$18,600,000 - The Airport Light Rail System (ALRS) consists of 6.5 miles of guideway and fifteen 3-car train units, all of which require routine maintenance. The ALRS Maintenance Facility will be located adjacent to the long-term parking area and will consist of approximately 14,000 square feet of enclosed maintenance area. The maintenance building will include functions such as off-line switching, vehicle inspection, washing and maintenance. The building will contain offices, storerooms, lunch/locker facilities and maintenance shops. Off-line guideways, sufficient to store the entire fleet of vehicles, will be provided.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



### **Miscellaneous Facilities**

Relocation of Coast Guard Facilities (T, see Attachment II) - \$24,500,000 - Several modifications to the existing U. S. Coast Air Station (USCG) are required to accommodate the new 2-lane USCG Perimeter Road.

Seaplane Harbor Dock Facility (U, see Attachment II) - \$1,225,000 - A multi-use dock facility, located adjacent to the U. S. Coast Guard Station (USCG) at Seaplane Harbor, is planned for the possibility of shipping and receiving freight via ferry service and as an alternative means of Airport access in an emergency situation.

### **Parking**

Addition to Lot "D" (M, see Attachment II) - \$9,800,000 - Grading and paving a parking lot for 2,000 cars in what is now a portion of the clear zone and a portion of the North Detention Pond and joining it to present Lot "D" by relocating the service road to the field side of the parking lot. This project will add parking for the public. Improvement will include lighting, pavement painting, drainage and fencing.

Lot "DD" Paving (N, see Attachment II) - \$9,188,000 - This project will grade and pave a parking lot for 3,000 vehicles. Parking Lot "DD" will be located west of the present United Airlines (UAL) employee parking lot at San Bruno Avenue and South Airport Boulevard. This lot will provide parking for employees and the public.

Lot "DD" Parking Structure (O, see Attachment II) - \$44,640,000 - The multi-story parking structure to be built adjacent to Lot DD is planned to accommodate long-term public parking, as well as tenant and Airport employee parking. The parking structure will be accessed via South Airport Boulevard and will provide approximately 3,000 parking stalls.

### **Roadway Improvements**

United States Coast Guard (USCG) Perimeter Roadway (V, see Attachment II) - \$12,250,000 - Construction of a new 2-lane roadway on the Bay side of the present USCG Air Station to provide unsecured access to the East Field development. The construction of an unimpeded unsecured roadway adjacent to the USCG Air Station seawall will permit employees and visitors to the East Field area to access those

facilities from the North Access Road. Development of the Multi-purpose Operations Facility, FBO/GA Building, and aircraft maintenance facilities will greatly increase the number of movements to this area, and security and safety issues dictate that an unsecured roadway be constructed. Improvements will include lighting, signing, signalization, pavement painting, fencing and drainage.

North Access Road (W, see Attachment II) - \$1,225,000 - The current North Access Road from South Airport Boulevard to the USCG Perimeter Road is mostly two-lane. This project would widen the roadway to four lanes plus left-turn and merging lanes (where feasible) in order to accommodate increasing airport traffic. Improvements will include lighting, signing, signalization, pavement painting, fencing and drainage.

Ramps and Elevated Roadways (H, see Attachment II) - \$216,807,000 - A new elevated roadway system around the Ground Transportation Center (GTC) and connecting ramps to the Bayshore Freeway (US 101) and the Interstate 380 viaduct. This project would provide direct access to the new International Terminal and the GTC from US 101. This project includes a connection from the Interstate 380 viaduct to US 101 northbound with related realignments of the San Bruno Avenue interchange and Road R-3. Improvements would include lighting, signing, landscaping, pavement painting, fencing, drainage, and improvements to existing surface roadways.

Widen South Perimeter Road (X, see Attachment II) - \$1,225,000 - The Airport frontage road from the West Underpass to Millbrae Avenue now exists as two lanes of traffic, one in each direction. This project would widen the roadway to four lanes (where it is feasible) in order to accommodate increasing airport traffic and minimize traffic congestion. Improvements would include lighting, signing, signalization, pavement painting, fencing, drainage, and improvement to existing intersections.

### **Airside Improvements**

Taxiway A & B Realignment - North Terminal (Y, see Attachment II) - \$12,250,000 - The realignment of Taxiways "A" and "B" at the North Terminal will provide the necessary clearances for aircraft taxiing and parking and for service roads around the Boarding Area "G". Work includes replacement and overlay of pavements, and installation of centerline lighting and striping.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Taxiway A & B Realignment (Z, see Attachment II) - South Terminal - Phase II - \$11,129,000 - The realignment of Taxiways "A: and :B: at the South Terminal will provide the necessary clearances for aircraft taxiing and parking and for service roads around the new Boarding Area "A". Work includes replacement and overlay of pavements, and installation of centerline lighting and striping.

### **Demolition**

Demolition for Near-Term Master Plan Projects (Related to all proposed projects) - \$5,653,000 - Various demolition contracts to prepare areas for construction of proposed Master Plan projects.

### **Other Support Projects**

Land Surveying (Related to all proposed projects) - \$750,000 - Various contracts to provide needed topographical, boundary and construction surveys on an "as-needed" basis during design and construction of proposed Master Plan Projects.

Geotechnical Investigation (Related to all proposed projects) - \$475,000 - Various contracts to provide review, exploration and analysis of subsurface soil conditions in conjunction with proposed Master Plan Projects.

Materials Testing (Related to all proposed projects) - \$1,000,000 - Various contracts to provide soils sampling, testing and inspection, concrete review, inspection and testing, welding inspection, and other materials testing in conjunction with proposed Master Plan Projects.

Hazardous Waste Removal (Related to all proposed projects) - \$9,800,000 - Various contracts for the identification, removal, packaging and transportation of hazardous waste to legal disposal sites, or processing into non-hazardous materials, in conjunction with demolition, site preparation and construction of proposed Master Plan Projects.

The Airports Commission's approval of the Master Plan occurred upon their review of an environmental impact report (EIR) prepared and certified by the Department of City Planning and requirements governed by the California Environmental Quality Act (CEQA).

The EIR has found that, without mitigation measures, the San Francisco International Airport (SFIA) Master Plan would have the following significant environmental impacts:

- An unacceptable level of traffic congestion at the following intersections: California Drive at Millbrae Avenue (a.m. and p.m. peak hours), Rollins Road and Millbrae Ave. (p.m. peak hours), and Long-Term Parking Road and Road R-3 on SFIA property and at Holly Street and Ralston Avenue (a.m. and p.m. peak hours).
- An unacceptable level of traffic congestion on certain freeway ramps and freeway sections in the vicinity of SFIA.
- Increased noise levels at sensitive receptors such as schools during construction activities.
- Violations of air quality standards due to dust production during construction.
- Increased frequency of violation of carbon monoxide standards at certain nearby intersections (violations would occur at these locations without the project but would occur more frequently with the project and without extensive transportation mitigation).
- Air pollutant emissions that exceed Bay Area Air Quality Management District thresholds.
- Possible negative impacts on subsurface cultural resources (i.e. pre-historical Indian artifacts) during construction.
- The potential for sediment produced by construction activities entering storm drains and/or the bay.
- Soil temporarily exposed to erosion during construction.
- Exposure of construction workers, other Airport workers or the public, to hazardous wastes if hazards are found in soils or ground water in or around construction areas.
- Contribute to cumulative traffic increases on US 101 in the vicinity that would add to traffic congestion on some segments of the freeway and would contribute to cumulative air quality impacts in San Mateo County and the Bay Area region.



As a result of the EIR, the Airports Commission has adopted mitigation measures to alleviate the potentially significant impacts associated with construction proposals of the Master Plan Projects and found overriding considerations regarding the remaining unavoidable project impacts.

The following mitigation measures and overriding considerations are addressed in the Airport Commission's Mitigation Plan:

(a) provide up to \$120 million in funding to insulate noise impacted homes in the communities surrounding the Airport (as defined in the 65 Community Noise Equivalent Level\* (CNEL) contour as it existed in 1983 without any carve out for homes purchased after 1983);

(b) construct a \$349.6 million on Airport Light Rail System (ALRS) (\$330,990,000) and Maintenance Facility (\$18,600,000) (see Attachment III) connecting with an intermodal transportation center for Bay Area Rapid Transit (BART), CalTrain and SamTrans to provide access to all parts of the Airport and to provide employees who work at the Airport a meaningful public transit alternative (see earlier description under Transportation);

(c) work with the Roundtable (membership includes a Supervisor from the County of San Mateo and the Mayors from the Cities of Brisbane, Burlingame, Daly City, Foster City, Hillsborough, Millbrae, Pacifica, San Bruno and South San Francisco) on a comprehensive annual plan of noise-related measures to be addressed by the Airport and the Roundtable and fund the Roundtable at \$100,000 per year;

(d) contribute \$250,000 to a study of traffic congestion in San Mateo County and work with the City/County Association of Governments to develop a joint work plan to implement the recommendations of the study;

(e) spend up to \$120 million for the construction of an intermodal transit center connecting the proposed Airport Light Rail System (ALRS) to CalTrain west of U.S. 101;

\* See (a) above. This is a measurement of cumulative noise rather than single event noise.

(f) implement a transportation system management program that will result in a 20 percentage point reduction in the percentage of passengers and employees who travel to the airport by single-occupant vehicles and meet the countywide

standards of the San Mateo County Congestion Management Plan;

(g) fund and provide for construction of a child care center west of U. S. 101, in conjunction with a new multi-modal transit Station; and

(h) implement a comprehensive series of mitigation measures specifically designed to reduce other impacts of the Master Plan, including air quality, construction noise, energy, cultural resources, public services, seismicity, and geology.

**Comments:**

1. As indicated above, the difference of \$117,427,000 between the \$1,919,427,000 total construction cost of the Near Term Master Plan Projects and the \$1,802,000,000 total construction cost component in the total \$2.4 billion in Master Plan Bond proceeds is the anticipated interest income to be earned by the Airport which will be accumulated over the next four years from the sale of up to fifteen separate bond issues.

2. Mr. Chris Brittle of the Metropolitan Transportation Commission (MTC) reports that the annual number of passenger trips using airport facilities in the San Francisco Bay Region will more than double from the 1990 level of 42 million to 84.7 million by the year 2010 and the anticipated San Francisco International Airport (SFIA) share of that total will increase from 29.7 million (32 million in 1991-92) to 49.9 million annual passengers, although SFIA's total percentage would decrease from 70.7 percent to 59.0 percent of the total number of passengers between 1990 and 2010.

3. Mr. Leo Fermin of the Airport advises that the number of annual SFIA passenger trips for FY 1991-92 totaled 32.0 million and the projected number of annual SFIA passenger trips for the years 2000 and 2006 will increase to 42.6 million (33.1 percent) and 51.0 million (59.4 percent) respectively. The 51.0 million passenger trip projection for 2006 is 1.1 million higher than the MTC 49.9 million passenger trip projection for 2010. The proposed construction would increase the number of boarding area gates from the current 80 to 103 (28.8 percent) by 1996. The current and proposed passenger aircraft gate distributions are as follows:

<u>Area</u>	<u>As of Sept. 1991</u>	<u>As of June 1996</u>
South Terminal	39	33
Central Terminal	10	14
North Terminal	31	30
New International Terminal	<u>-</u>	<u>26</u>
Total Gates	80	103

4. Mr. Louis Turpen, Director of Airports, estimates that the anticipated construction during the four year period 1993 to 1997, will generate \$43 million in new sales tax revenues area-wide of which \$10 million in new sales tax revenues has been estimated for San Francisco (\$2.5 million per year). The \$10 million or 23.3 percent of the total amount is the Airport's estimate of sales tax which will accrue to San Francisco from supplies purchased for the proposed new construction and the goods purchased by construction workers hired to complete the construction work. The anticipated work is estimated to create 4,025 construction and other related jobs area-wide of which 1,000 jobs or 24.8 percent would go to San Francisco residents as projected by the Airport using data from the Department of City Planning's Environmental Impact Report (EIR) for the San Francisco International Airport Master Plan. However, the Budget Analyst notes that the EIR projections (EIR, Volume I, page 396) are for permanent employments and may not be fully comparable for the projection of construction jobs.

5 Mr. Turpen also estimates, that during the three year period from 1997 to 2000, after construction is completed, Airport businesses are estimated to generate \$19 million in new sales and business tax revenues for the City (\$6.33 million per year) and \$17.9 million in additional service payments to the City (\$6.0 million per year) from new businesses and concessionaires (15 percent of the total estimated annual concession revenues of \$39.8 million.

6. According to Ms. Angela Gittens of the Airport, award of all contracts will be made by competitive bid and will be made in accordance with the Airport's Minority Business Enterprise/Women Business Enterprise (MBE/WBE) plan. According to the Airport's internal records, during FY 1991-92, July 1, 1991 through June 30, 1992, the Airport has awarded \$12,066,291, or 29.8 percent of total contract dollars to minority businesses and \$613,143, or 1.5 percent of total contract dollars to women businesses.



7. Ms. Gittens states that the contracts for the first scheduled work to be funded under the subject supplemental appropriation are expected to be put out to bid in February 1993, with construction of the final projects expected to be completed in Fiscal Year 1997/1998.

8. According to Ms Gittens of the Airport, the \$1,802,000,000 (\$1,919,427,000 less \$117,427,000 anticipated interest to be earned from the Revenue Bonds, see Comment 1) set aside for construction would be distributed as follows: \$247,800,000 for engineering design (\$233,000,000) and art enrichment (\$14,800,000) and \$1,554,200,000 for construction contracts. Until the Airport identifies the contractors and contract details, and provides information on the contractor's MBE/WBE status, the \$1,554,200,000 set aside for outside contracts should be reserved.

9. Attachment V is a letter from Mr. Turpen, Director of Airports, to the Board of Supervisors Finance Committee which identifies the impact of the subject Airport Light Rail System (ALRS) on the proposed extension of BART to the Airport (see Airport Light Rail System Mitigation Measure (b)). In that letter to the Finance Committee, Mr. Turpen states "The Budget Analyst has also asked that I comment on the impact of the passage of a currently-circulating initiative petition which calls for BART extending to a location underneath the Airport garage rather than to the transportation center. The concept envisioned by the petition has not been subjected to any engineering or cost analyses, according to MTC. However, the Airport Master Plan projects do not foreclose alternate options to BART."

10. Subsequent to the June 1992 MTC, BART and SamTrans approvals of the BART extension to the San Francisco International Airport, a voter's initiative petition has been proposed which would provide a BART loop tunneling underground from the proposed transportation center to a BART station five stories under the existing parking garage at the Airport (Attachment IV). This loop would replace the Airport's light rail service system (as described above) to the transportation center. Preliminary estimates for the proposed loop construction to extend BART to beneath the existing parking garage at the Airport range between \$300 and \$400 million compared with an estimated \$20 million for the construction of a BART station next to the proposed transportation center west of US 101 according to cost estimates provided by Mr. Turpen.

11. Mr. Turpen advises that locating a transportation center west of US 101 linking BART, CalTrain and SamTrans to the Airport with the Airport Light Rail System (ALRS) would better serve the immediate and future needs of Airport passengers and employees alike than the alternative of linking of BART directly into the Airport which would take several additional years to complete. In addition, the ALRS would permit the ready distribution of both passengers and employees directly to several different terminal and work station sites within the Airport as opposed to concentrating the arrival of all BART users at one terminus. Further, the tunneling of BART into the existing Airport transportation and terminal complex would require the removal of several piers which support the present Airport building complex.

12. Attachment VI is a memorandum from State Senator Kopp, the author of the initiative petition being circulated to provide for a BART station five stories under the existing parking garage at the Airport. Senator Kopp states that Mr. Turpen has omitted that the Boards of MTC, BART and SamTrans have also approved BART's extension directly into the Airport if the City and County of San Francisco could finance the extension. In addition, Senator Kopp states that Mr. Frank Wilson, BART's General Manager, has publicly predicted completion of the a BART station within the Airport in 1997 and not 2003 as identified by Mr. Turpen, whereas Mr. Turpen's estimate of a 1997 completion date for ALRS may be optimistic in light of possible litigation sponsored by nearby cities. Also, Senator Kopp points out that the initiative petition does not prohibit the construction and operation of an ALRS among the Airport terminals nor, as Mr. Turpen advises, does it compel the construction of an Airport loop, even though it is the least expensive alternative. Finally, Senator Kopp's memorandum states that Airport officials informed BART officials last spring that the BART extension directly into the Airport would cost \$125,000,000 as compared with the ALRS costing approximately \$250,000,000. Senator Kopp states that a March 1991 engineering report concludes that the piles supporting the present Airport building complex can be safely removed without jeopardizing support.

**Recommendations:** 1. Approval of the proposed resolution (File 170-92-13) to issue \$2,400,000,000 in bonds for the construction of Near-Term Master Plan Projects is a policy decision for the Board of Supervisors.

2. In accordance with Comment No. 8 above, amend the proposed Supplemental Appropriation Ordinance (File 101-92-11) to reserve \$1,554,200,000 of the amount requested for construction contracts (see Comment 8 above) pending identification of the contractors, the MBE/WBE status of the contracts and the contract cost details. Approval of the amended ordinance is a policy matter for the Board of Supervisors.

EXHIBIT A**NEAR-TERM MASTER PLAN PROJECTS**

(Estimated dollars in thousands)

<u>Project Description</u>	<u>Project Cost<sup>1</sup></u>	<u>Project Description</u>	<u>Project Cost<sup>1</sup></u>
<b><u>Terminals</u></b>		<b><u>Miscellaneous Facilities</u></b>	
Int'l Terminal (Arrivals Bldg)	\$ 317,906	Relocation-Coast Guard Facilities	\$ 24,500
Boarding Area A	154,103	Seaplane Harbor Dock Facility	<u>1,225</u>
Boarding Area G	162,384		25,725
Boarding Area B-Phase I	109,852	<b><u>Parking</u></b>	
Boarding Area D, Remodel	<u>24,500</u>	Addition to Lot "D"	9,800
	768,745	Lot "DD" Paving	9,188
<b><u>Air Freight/Airline Maintenance</u></b>		Lot "DD" Parking Structure	<u>44,640</u>
Plot 1 Cargo/Maint. Facility	44,392		63,628
West Field Cargo/Maint. Fac.-Ph. I	39,680	<b><u>Roadway Improvements</u></b>	
North Field Cargo/Maint. Facility	49,600	USCG Perimeter Roadway	12,250
Remodel TWA Cargo Facility	<u>6,125</u>	North Access Road	1,225
	139,797	Ramps & Elevated Roadways	216,807
<b><u>Airport Support</u></b>		Widen South Perimeter Road	<u>1,225</u>
Multipurpose Facility	3,100		231,507
Relocation-CFR/Support Building	<u>5,268</u>	<b><u>Airside Improvements</u></b>	
	8,368	Taxiway A & B Realignment	
<b><u>General Aviation</u></b>		North Terminal	12,250
FBO Building	19,840	Taxiway A & B Realignment	
<b><u>Commercial</u></b>		South Terminal-Phase II	<u>11,129</u>
Service Station	1,225		23,379
<b><u>Transportation</u></b>		<b><u>Demolition</u></b>	
Ground Transportation Center	269,945	Preparation for Near-Term Projects	5,653
Light Rail System (LRS)-Phase I	330,990	<b><u>Other Support Projects</u></b>	
LRS Maintenance Facility	<u>18,600</u>	Land Surveying	750
	\$ 619,535	Geotechnical Investigation	475
		Materials Testing	1,000
		Hazardous Waste Removal	<u>9,800</u>
			12,025
		<b>Total</b>	<b><u>\$1,919,427</u></b>

NOTE: <sup>1</sup>Project costs are subject to change & modification. Architectural, engineering, inspection, contingency fees, and an allowance for art enrichment are included in Project Cost. Master Plan Projects will also include such other projects which may hereafter constitute part of the Near-Term Master Plan.

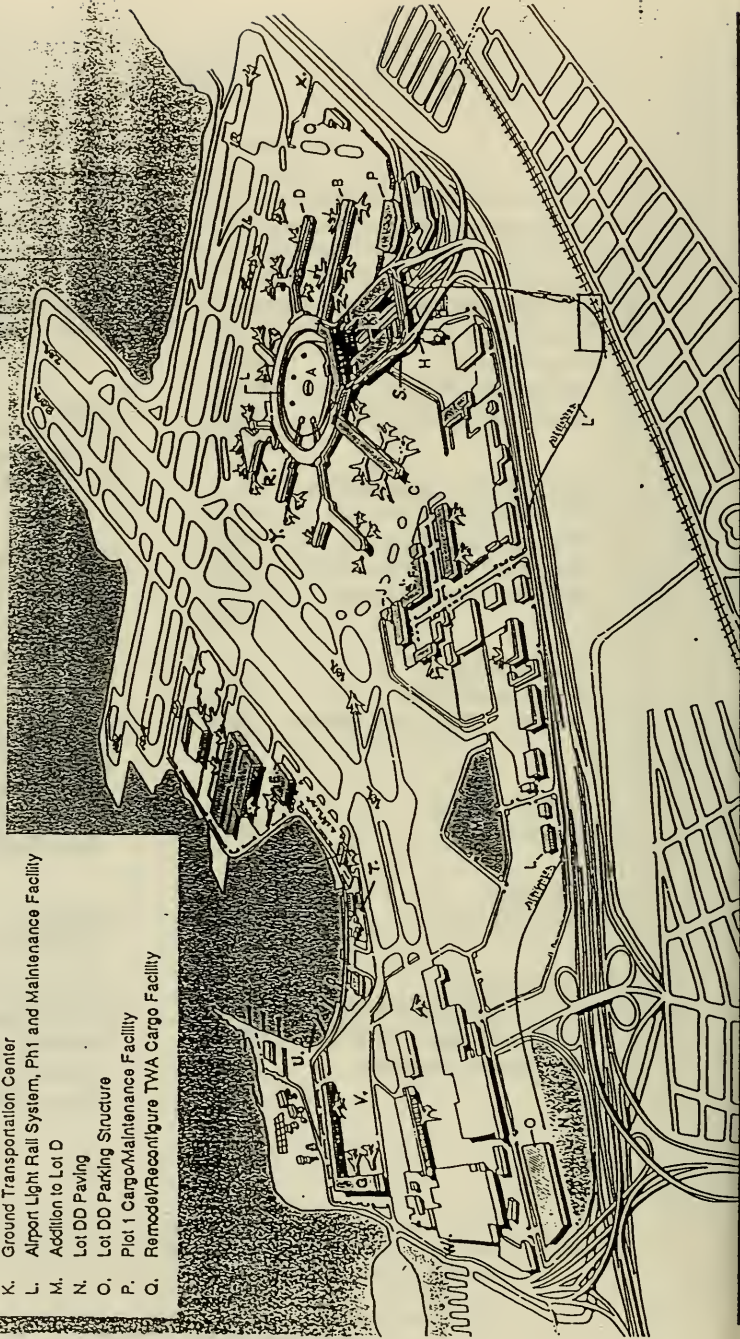


# NEAR-TERM MASTER PLAN 1996

## Key

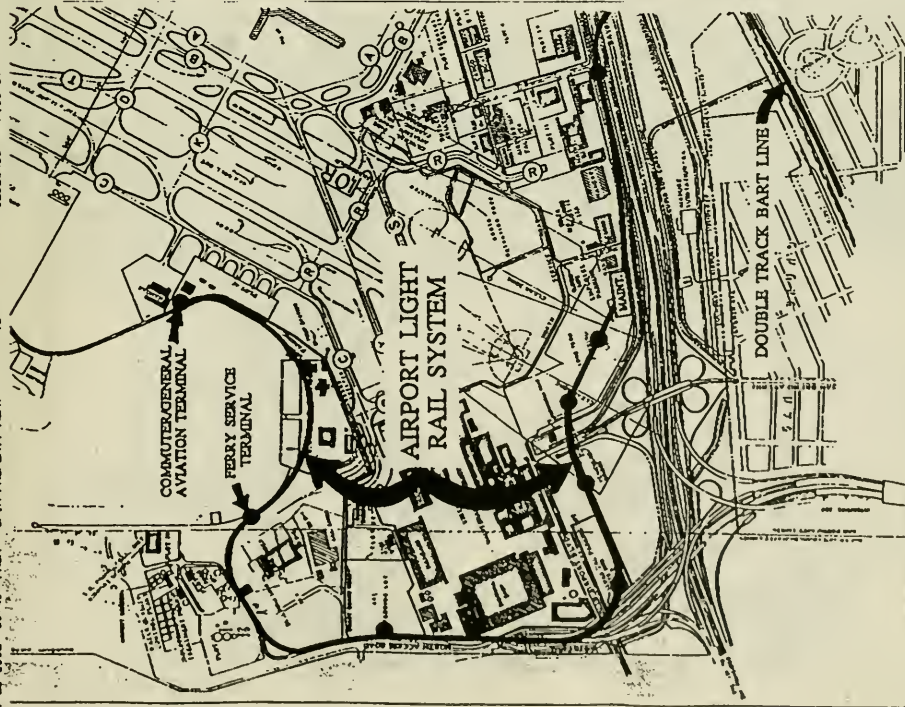
- A. International Terminal
- B. Boarding Area A
- C. Boarding Area G
- D. Boarding Area B, Ph1
- E. FBO
- F. West Field Cargo/Maintenance Facilities
- G. North Field Cargo/Maintenance Facility
- H. Ramps & Elevated Roadways
- I. Multipurpose Operations Facility
- J. CFR #1/Support Building
- K. Ground Transportation Center
- L. Airport Light Rail System, Ph1 and Maintenance Facility
- M. Addition to Lot D
- N. Lot DD Paving
- O. Lot DD Parking Structure
- P. Plot 1 Cargo/Maintenance Facility
- Q. Remodel/Raconfigure TWA Cargo Facility

- R. Boarding Area D, Remodel
  - S. Service Station
  - T. Relocation - Coast Guard Facilities
  - U. Seaplane Harbor Dock Facility
  - V. USCG Perimeter Roadway
  - W. North Access Road
  - X. Widen South Perimeter Road
  - Y. Taxiway A & B Realignment North Terminal
  - Z. Taxiway A & B Realignment South Terminal
- Phase II



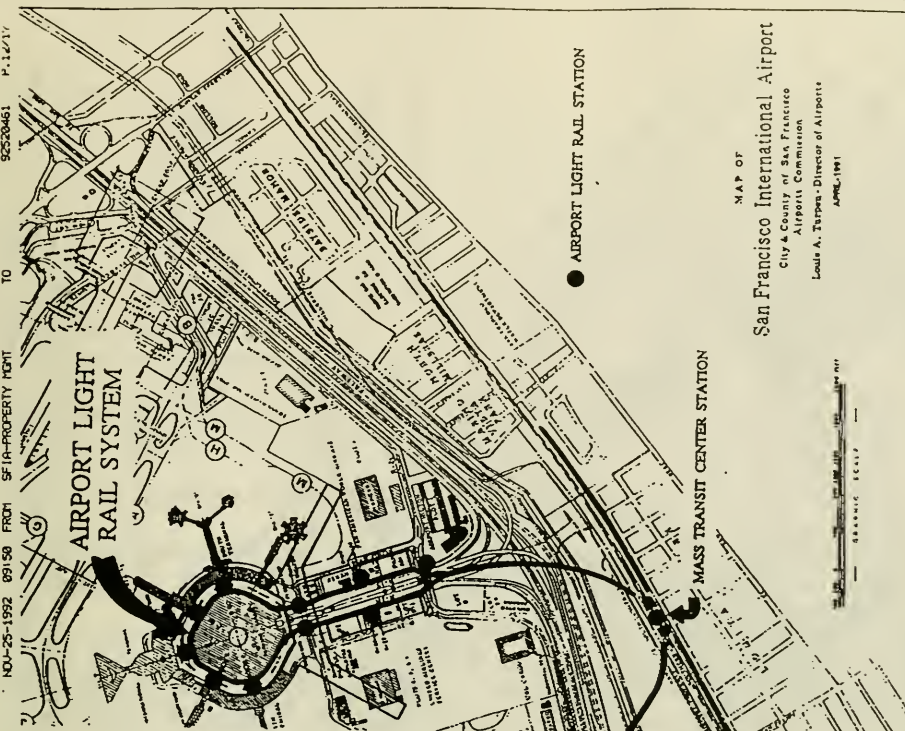
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NOV-25-1992 09:50 FROM SFIA-PROPERTY HONT P.12/17



9

MAP OF APP.



VED CONCEPT

FIGURE 1



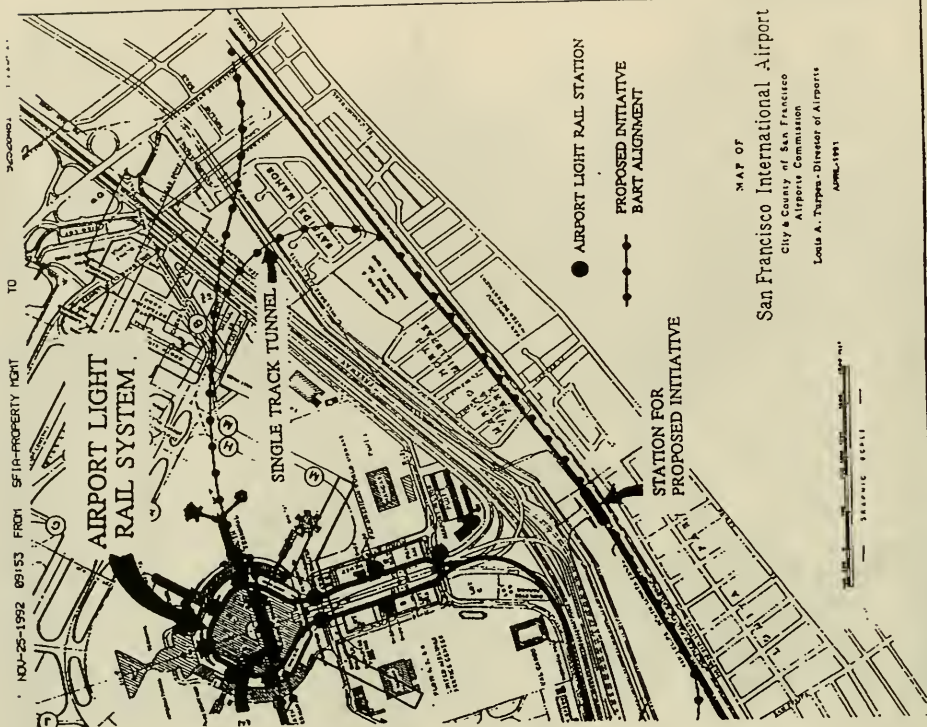
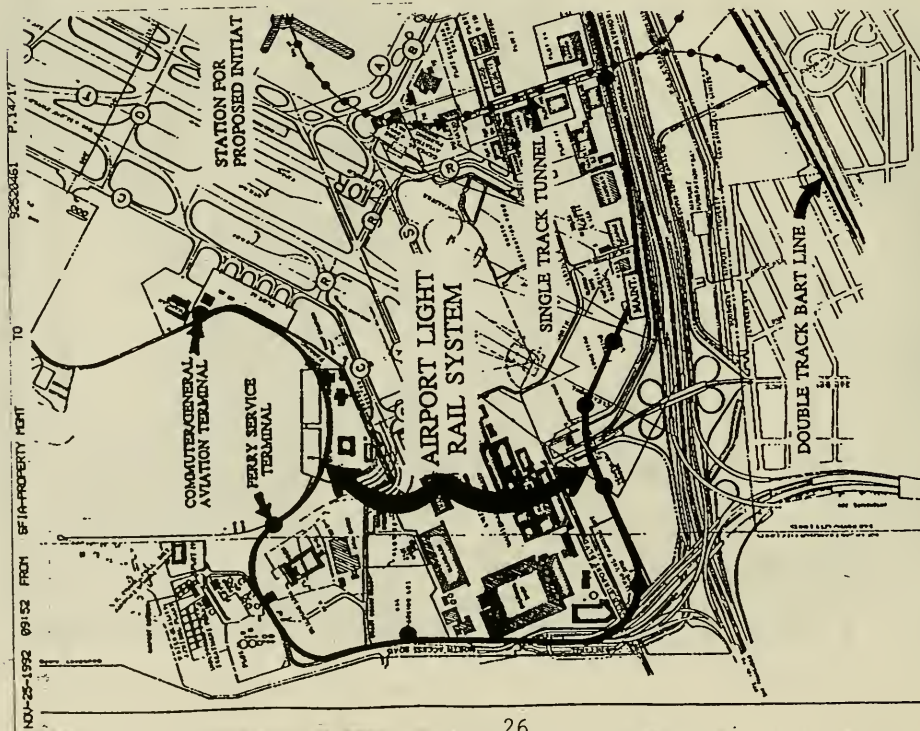


FIGURE 3



MAP OF PROPOSED INITIATIVE



Honorable Jim Gonzalez, Chair  
Finance Committee  
Board of Supervisors  
City and County of San Francisco  
Room 235, City Hall  
San Francisco, CA 94102

November 30, 1992


Dear Supervisor Gonzalez:

The Budget Analyst has asked that I identify, "the impact of the subject Airport Light Rail System (ALRS) on the proposed extension of BART to the airport."

As indicated in the map attached to the Budget Analyst's report (Attachment III), the plan for BART access to the Airport, approved by the Metropolitan Transportation Commission (MTC), BART, and Sam Trans, is to extend BART to a transportation center on Airport property adjacent to the CalTrain tracks. The Airport's light-rail system would connect this transportation center to the Airport passenger terminals, rental car garages, remote parking lots, United Airlines Maintenance Base, cargo areas and a ferry service terminal. The transportation center would serve CalTrain, BART and Sam Trans.

The Budget Analyst has also asked that I comment on the impact of the passage of a currently-circulating initiative petition which calls for BART extending to a location underneath the Airport garage rather than to the transportation center. The concept envisioned by the petition has not been subjected to any engineering or cost analyses, according to MTC. However, the Airport Master Plan projects do not foreclose alternate options to BART.

Very truly yours,

  
L. A. Turpen  
Director of Airports

LAT:AG:bh

cc: Honorable Carole Migden  
Honorable Terence Hallinan  
Budget Analyst  
Airports Commission  
bcc: Admin/Chron/File/WP-Gonzalez

## SACRAMENTO ADDRESS

STATE CAPITOL  
95814  
(916) 445 0503

## DISTRICT OFFICES

363 EL CAMINO REAL #205  
S.O. SAN FRANCISCO, CA 94080  
(415) 952 5666

## California State Senate

STATE SENATOR  
QUENTIN L. KOPPEIGHTH SENATORIAL DISTRICT  
REPRESENTING SAN FRANCISCO AND SAN MATEO COUNTIES

## COMMITTEES

TRANSPORTATION, CHAIRMAN  
HOUSING & URBAN AFFAIRS  
LOCAL GOVERNMENT  
REVENUE & TAXATION  
TOXICS & PUBLIC SAFETY  
MANAGEMENT

## MEMORANDUM

TO: Harvey Rose,  
Budget Analyst, Board of Supervisors

FROM: Senator Quentin L. Kopp

RE: Your memo to Finance Committee respecting  
Items 3 and 4 - Files 170-92-13 and 101-92-11

DATE: November 30, 1992

I write respecting the proposed ordinance appropriating \$2,400,000,000 in Master Plan Bond proceeds for San Francisco's Airport. I write to correct and elaborate on the information supplied in the aforementioned report.

First, the report notes that MTC, BART and SamTrans approved BART's extension to a station west of Highway 101. In addition, as many San Franciscans know, the Boards of these transportation agencies at the same time also approved BART's extension directly into SFO if the City and County of San Francisco could finance the extension. Final and more precise plans for the exact routing of the extension await the results of the "Preliminary Engineering" study which has yet to get under way and which is expected to take approximately one year.

Second, Frank Wilson, BART's General Manager, has publicly predicted completion of a BART station within SFO in 1997, if there are no delays. A new federal fast-track transportation construction program may even hasten this date. Information disseminated by Director of Airports Turpen erroneously states such completion as 2003. On the other hand, Turpen's estimate of a 1997 completion date for the Automated People Mover may be optimistic in light of possible litigation sponsored by nearby cities, their residents or any other party respecting the Airport's Master Plan.

Third, I am, indeed, sponsoring an initiative petition to extend BART directly within SFO. The basic provision of the initiative ordinance sponsored by Kopp's Good Government

Committee requires that responsible city officials take all actions necessary to effectuate the extension of BART service into the Airport. The initiative ordinance does not prohibit the construction and operation of the Automated People Mover among the Airport terminals nor, as Mr. Turpen asserts, does it compel the construction of an Airport loop, even though it is the least expensive alternative to serve the Airport directly. To fund the loop or any other alternative directly serving the Airport, the initiative authorizes the City to apply to the FAA to impose a departure tax, like many other cities already do, of \$3.00 or less.

Fourth, Airport officials informed BART officials last spring that a Automated People Mover would cost approximately \$250,000,000, and that segment from the so-called "ground transportation center" into the Airport would cost \$125,000,000. A March, 1991 engineering report by Parsons, Brinckerhoff & concludes, contrary to representations falsely made to the Budget Analyst, that the piles referred to in the Budget Analyst report, can be safely removed without jeopardizing support.



Items 5, 6, 7, and 8 - Files 101-92-13, 100-92-11, 101-92-14 and 100-92-10

**Departments:** Water Department  
Hetch Hetchy Water and Power

**Items:** Item 5 - Supplemental appropriation ordinance (File 101-92-13) appropriating \$12,020,375 for various capital improvement projects, rescinding \$4,700,000.

Item 6 - Motion (File 100-92-11) that the Board of Supervisors transfers to the General Fund excess Water Department monies, in the amount of \$4,700,000, pursuant to San Francisco Charter Section 6.407(e), effective July 1, 1992.

Item 7 - Supplemental appropriation ordinance (File 101-92-14) appropriating \$10,716,761 for various capital improvement projects.

Item 8 - Motion (File 100-92-10) that the Board of Supervisors transfers to the General Fund excess Hetch Hetchy Department monies, in the amount of \$2,500,000, pursuant to San Francisco Charter Section 6.407(e), effective July 1, 1992.

**Source of Funds:** Item 5 - Water Department  
Unappropriated Fund Balance \$7,320,375  
Hetch Hetchy Filtration Project (rescission) 4,700,000  
Total \$12,020,375

Item 7 - Hetch Hetchy Water and Power  
Unappropriated Fund Balance \$8,216,761  
Sale of Electric Power Revenue 2,500,000  
Total \$10,716,761

**Description:** Section 6.407(e) of the San Francisco Charter states that, "If any accumulation in the surplus fund of any utility shall, in any fiscal year, exceed 25 percent of the total expenditures of such utility for operation, repairs and maintenance for the preceding fiscal year, such excess may be transferred by the Board of Supervisors to the General Fund of the City and County, and shall be deposited by the (Public Utilities) Commission with the Treasurer to the credit of such General Fund."

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



At the end of fiscal year 1991-92, several Water Department and Hetch Hetchy Water and Power capital improvement projects were closed or their balances were reduced which resulted in surpluses in the Unappropriated Fund Balances of the two departments. These surpluses were then available for transfer to the General Fund or for appropriation for fiscal year 1992-93 capital or operating purposes.

The proposed supplemental appropriation ordinances would reappropriate funds from the Unappropriated Fund Balances, from the Hetch Hetchy Filtration Project (a Water Department capital improvement project that has a surplus) and an increase in the estimated Hetch Hetchy Water and Power revenues from the sale of electric power, to the following capital improvement projects:

**WATER DEPARTMENT**

New Water Service	\$3,288,705
Millbrae Headquarters	2,446,007
Baden Pipeline	1,055,497
Noe Valley - Sunset Main	3,387,945
Groundwater Diesel	1,083,457
Sunol Water Treatment	<u>758,764</u>
Total	\$12,020,375

**HETCH HETCHY WATER AND POWER**

Replace Repair Paint Trolley Poles	\$740,512
Tunnels/Pipelines-Moccasin to Alameda	171,728
Eleanor Dam Repair	482,251
San Joaquin Pipeline	164,656
Moccasin Sewage Facility Expansion	620,774
Septic System Rehabilitation	695,329
Street Lighting Facility	419,322
Hetchy Road Maintenance and Rebuilding	1,155,760
Muni Facility Electric Efficiency	748,806
Electronics Governor System	557,578
Moccasin Penstock Saddle Replacement	717,598
San Joaquin Pipeline Crossing	1,572,705
Holm Powerhouse Drainage Control System	505,119
Early Intake Dam: Reconstruct Gates	340,907
Early Intake (Eleanor) Dam Repairs	423,716
Priest Outlet and Intake	<u>1,400,000</u>
Total	\$10,716,761

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Comment:**

The Controller's Office has determined that the Water Department and Hetch Hetchy Water and Power surplus funds met the requirements of Section 6.407(e) on June 30, 1992 and that a total of \$7,200,000 including \$4,700,000 from the Water Department and \$2,500,000 from Hetch Hetchy Water and Power surplus funds can be transferred to the General Fund pursuant to Section 6.407(e), effective July 1, 1992. The proposed transfers totaling \$7,200,000 would offset the City's budgetary shortfall resulting from reduced State revenues for fiscal year 1992-93 in accordance with the plan proposed by the Mayor's Office and previously considered by the Board of Supervisors. The proposed \$4,700,000 transfer from the Water Department includes a \$2,200,000 advance from surplus funds in anticipation of the proposed sale of Water Department property to the Olympic Club.

**Recommendation:** Approve the proposed supplemental appropriation ordinances and motions.



Item 9 - File 101-92-12

**Departments:** Superior and Municipal Courts  
Chief Administrative Officer (CAO)

**Item:** Supplemental appropriation ordinance appropriating \$335,134 for professional and other contractual services, services of other departments - Real Estate, Public Health, City Planning, courthouse construction.

**Amount:** \$335,134

**Source of Funds:** Courthouse Construction Fund

**Description:** Currently there are 20 Superior Court and eight Municipal Court courtrooms and a jury assembly room in City Hall. All criminal courtrooms are at the Hall of Justice including eight Superior Court and 15 Municipal Court criminal courtrooms. The Superior and Municipal Courts also have administrative offices in City Hall. The Superior and Municipal Courts occupy approximately 120,000 square feet of space at City Hall. The Superior Court also has three temporary courts in approximately 8,870 square feet of leased space at 575 Polk Street.

The CAO's Office has devised a plan for making earthquake repairs and seismic improvements to City Hall. In order to make the earthquake repairs and seismic improvements to City Hall, all occupants of City Hall, including the Superior and Municipal Courts courtrooms, jury assembly room and administrative offices, must be temporarily moved out of City Hall. The CAO was previously authorized by the Board of Supervisors to negotiate with a private developer to construct a new office building at the corner of Polk and McAllister Streets (see Comment No. 5). The CAO's present plan includes permanently moving the courts currently in City Hall into a new courthouse that would be constructed at the corner of Polk and McAllister Streets instead of constructing a new City office building at that location. When the new courthouse is complete (projected completion by 1996 or 1997), the City Hall court activities would be permanently moved to the new courthouse and the other City Hall offices would be temporarily moved to the War Memorial Veterans Building.

The proposed new courthouse would be six stories high plus one basement for courthouse facilities and a second basement for parking. The total space for courthouse facilities would be approximately 225,000 square feet.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

As previously noted, the proposed new courthouse would occupy the same site that was previously proposed by the CAO as a new building to accommodate City offices. The site consists of the vacant parcel at the Northwest corner of Polk and McAllister Streets (that was previously occupied by a service station), the 450 McAllister Street parcel currently occupied by the Bureau of Building Inspection and City Planning, the 456 McAllister Street parcel currently occupied by the California Society of Pioneers' Museum and the 460 McAllister Street parcel currently occupied by Traffic Engineering. The California Society of Pioneers' Museum building would be purchased by the City, the Museum would be moved to a new location at City expense and the Museum building would be demolished (the previous plan to construct a new City office building involved bridging the new building over the Museum building leaving the Museum building intact). The CAO's present plans are to move the current occupants of the City's office buildings at 450 and 460 McAllister Street to the building at 1660 Mission Street in order to create a One-Stop Permit Processing Office. The CAO has submitted a proposed ordinance to acquire the 1660 Mission Street building, Item 11, File 172-92-15 of this report. The 450 and 460 McAllister Street buildings would be demolished. The CAO's Office does not have a substitute plan for the development of office space at this time other than to use the City Hall space that would be vacated by the courts for other City offices.

The CAO's Office estimates that the total cost of the new courthouse would be approximately \$50 million that would be financed by the sale of Certificates of Participation. A Certificate of Participation is an obligation of a public entity based on a lease or installment loan agreement. Debt service of the Certificates of Participation would be paid from the Courthouse Construction Fund (See Comment No. 1).

The proposed supplemental appropriation would provide for start-up costs that would allow the Superior Court to define the interior design of the proposed new courthouse. The Superior Court's preliminary estimates of start-up costs are as follows:

**CONTRACTUAL SERVICES**

Project Management

\$39,667

A contractor would be selected to perform project management services for the proposed construction of a new courthouse. The estimated amount of \$39,667 is based on the salary and fringe benefits costs of the City employee acting as the project manager for the New Main Library project.

Environmental Impact Report

50,000

City Planning provided this estimate based on the cost of Environmental Impact Reports for other, similar projects.

Attorney's Fees

50,000

The estimated cost of legal services for negotiating a contract for the project manager and for environmental matters is based on costs that other cities have incurred in constructing new courthouses.

Space Planning Services

75,000

Courthouse interior space design is a specialty within the design field. This funding would allow for contracting with a courtroom design specialist.

**Subtotal - Contractual Services**

**\$214,667**

**SERVICES OF OTHER DEPARTMENTS**

Real Estate Department

\$40,000

The Real Estate Department will be responsible for the acquisition of the Society of California Pioneers' Museum property and relocation of the museum to another site. This estimate includes funding for an independent appraisal (\$15,000) of the property by an outside appraiser, a special museum consultant \$5,000) and the services of the Real Estate Department staff (\$20,000).

Planning Department

42,000

City Planning fees are estimated by formula based on the estimated total cost of the project.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<u>Department of Public Health</u>	<u>\$8,000</u>
The Department of Public Health will perform an investigation for toxic materials at the four parcels. This investigation will determine if underground tanks are still located at the former service station site, the extent of any soil contamination and the cleanup that would be required.	
<b>Subtotal - Services of Other Departments</b>	<b><u>\$90,000</u></b>
<b>CONTINGENCIES</b>	<b><u>\$30,467</u></b>
The Courts have included an allowance for contingencies of ten percent of the total proposed supplemental appropriation for start-up costs.	
<b>Total Proposed Supplemental Appropriation</b>	<b><u>\$335,134</u></b>

**Comments:**

1. The Courthouse Construction Fund was established pursuant to State law. Surcharges on civil and probate filing fees, parking fines and criminal fines are deposited into the Fund which can only be used for the acquisition, rehabilitation, construction and financing of courtrooms, courthouses or buildings containing courtrooms. The Courthouse Construction Fund had a balance of approximately \$6.7 million as of July, 1992.
2. Filing fee and fine surcharges that accrue to the Courthouse Construction Fund were recently increased by the Board of Supervisors resulting in an approximate \$2.3 million annual increase in the total surcharges accruing to the Fund (approximately \$2.4 million accrued to the Courthouse Construction Fund in FY 1991-92 prior to the increase and with the increase, approximately \$4.7 million will accrue to the Fund, annually beginning in FY 1992-93), according to estimates by the Superior Court.
3. The Courthouse Construction Fund was the source of funding for the renovations to the leased space at 575 Polk Street for three temporary courtrooms required to reduce the backlog of cases. A total of approximately \$1.2 million has been appropriated by the Board of Supervisors for renovations and startup costs of the three temporary courtrooms at 575 Polk Street.



4. Over the last two years, the City has purchased options to allow for the future purchase of the air rights over the California Society of Pioneers' Museum building that would be required in order to construct a new City office building over the Museum building. The City has paid a total of \$57,600 for the air rights options for the two years ending December 31, 1992. The air rights over the Museum building may not be needed under the CAO's new plan if the Museum building can be purchased and then demolished.

5. The Board of Supervisors previously authorized the CAO to negotiate for development of a new office building at the Polk and McAllister Streets site with the firm of 450 McAllister Associates. However, because of the new proposal to develop a courthouse instead of an office building, 450 McAllister Associates and the two other developers that submitted proposals, but were not selected, will be asked to advise the CAO as to how development of a courthouse would differ from development of an office building. If, based on the developers' advice, the CAO determines that there is a significant difference, the three developers will be asked submit new proposals based on the development of a new courthouse. The CAO's Office will reconvene its Selection Advisory Committee and, with advice from the Human Rights Commission, will evaluate and select one of the new proposals for development of the proposed new courthouse. If one of the other developers (other than 450 McAllister Associates) is selected, the CAO will seek Board of Supervisors approval for authority to negotiate for development of a new courthouse.

6. The CAO's Office reports that none of the contractors have been selected for the Contractual Services budgeted at \$214,667 or for the independent appraiser (\$15,000) and museum consultant (\$5,000) to be retained by the Real Estate Department. Therefore the proposed supplemental appropriation ordinance should be amended to reserve a total of \$234,667 (\$214,667 for contractual services, \$15,000 for the independent appraiser and \$5,000 for the museum consultant) pending selection of the contractors and determination of their professional hours, hourly billing rates and MBE/WBE status.

7. Although it is normal to include funding for contingencies during the construction phase of a project, usually ten percent of the construction amount, the inclusion of funding for contingencies at this preliminary phase is not normal. The proposed supplemental appropriation ordinance should be amended to eliminate the proposed funding for

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

contingencies in the amount of \$30,467, which was based on ten percent of the total requested funding for this phase of the project.

8. Because the Board of Supervisors' previous authorization for the CAO to negotiate with 450 McAllister Associates was for the development of an office building and not for the development of a courthouse, the proposed supplemental appropriation ordinance should be amended to stipulate that the CAO will obtain Board of Supervisors authorization to negotiate with the developer that may be subsequently selected to develop the proposed new courthouse.

**Recommendations:** 1. Approval of the proposed supplemental appropriation ordinance to appropriate funding for the first stages of building a new courthouse is a policy matter for the Board of Supervisors. As previously noted, the CAO's former proposal was to build a City-owned office building. A City-owned office building was expected to have resulted in significant savings to the City by eliminating various leased facilities currently housing numerous City employees.

2. Should the Board of Supervisors approve the proposed supplemental appropriation ordinance, it should be first amended to a) eliminate the request for \$30,467 for contingencies resulting in a reduction in the total amount of funding by \$30,467 from \$335,134 to \$304,667, b) reserve a total of \$234,667, as detailed in Comment 6, above and c) to stipulate that the CAO will obtain Board of Supervisors authorization to negotiate with the developer that may be subsequently selected to develop the proposed new courthouse.

Item 10 - File 68-92-12

**Department:** Mayor's Office/Mayor's Criminal Justice Council

**Item:** Resolution amending Resolutions 858-90 and 116-91, which had previously authorized the Mayor to apply for, accept and expend funds in the amount of \$721,186, as made available through the Federal Office for Substance Abuse Prevention for a project entitled "The Community Partnership Program." The proposed resolution would authorize the Mayor to apply for, accept, and expend funds in the amount of \$1,273,997.

**Grant Amount:** \$1,273,997

**Source of Grant:** Federal Office for Substance Abuse Prevention (OSAP)

**Grant Period:** January 1, 1993 to December 31, 1993

**Project:** Community Partnership Program

**Description:** The Community Partnership Program (CPP) is a City-wide neighborhood and youth-oriented substance abuse prevention program which began in October 1990 through funding provided by the Federal Office of Substance Abuse Prevention (OSAP). OSAP will provide \$1,273,997 in Federal fiscal year 1992-93, which will fund the grant program during calendar year 1993.

The Community Partnership Program consists of several components, including the Neighborhood Empowerment Program, which facilitates the efforts of parents, youth, and neighborhood residents to develop community drug prevention strategies in 17 City neighborhoods; the Mayor's Youth Forum, which provides youth with leadership and problem-solving skills; and the Mayor's Drug Prevention Task Force, composed of 20 citizens who oversee the project and advise the Mayor concerning substance abuse prevention.

The Mayor's Office provides services to 8 of the 17 neighborhoods involved in the Neighborhood Empowerment Program. The remaining 9 neighborhoods participate in the program through a sub-grant by the Mayor's Office to the Japanese Community Youth Council (JCYC), which administers the program under the name "Neighborhoods in Transition - A Multicultural Partnership." This division of responsibility resulted because JCYC qualified for OSAP funding a year after the Mayor's Office qualified for funding.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The funding for JCYC was therefore appended to the Mayor's Office grant in late 1991.

The proposed resolution would authorize the Mayor to apply for, accept and expend grant funds in the amount of \$1,273,997 by amending previous resolutions of the Board of Supervisors which authorized the Mayor to apply for, accept and expend \$721,186 in grant funds for 1991 (see Comment 6).

**Budget:**

<u>Personnel</u>	<u>FTE</u>	<u>Amount</u>	
Principal Investigator	1.0	\$70,737	
Partnership Project Director	1.0	54,855	
Empowerment Coordinator	1.0	46,417	
Youth Forum Coordinator	1.0	45,188	
Senior Epidemiologist	1.0	42,900	
Project Evaluation Research Assistant	1.0	41,800	
Subtotal	6.0	\$301,897	
Fringe Benefits (@ 11 percent)		<u>33,334</u>	
Total Personnel			\$335,231
<u>Operating Expenses</u>			
Supplies		\$10,000	
Travel		<u>5,000</u>	
Total Operating Costs			15,000
<u>Contractual Services</u>			
Neighborhoods in Transition		\$624,000	
Empowerment Funds		196,000	
Training - Mayor's Youth Forum		63,605	
Mandatory Audit		<u>5,000</u>	
Total Contractual Services			<u>888,605</u>
Total Direct Cost			\$1,238,836
Indirect Cost			<u>35,161</u>
Total Grant Amount			\$1,273,997

**Required Match:** None

**Indirect Costs:** Indirect costs were negotiated with OSAP in the amount of \$35,161, which is approximately 5.4 percent of \$649,997, which is the total grant amount (\$1,273,997), exclusive of funding for the Neighborhoods in Transition program operated by the JCYC (\$624,000).

**Comments:** 1. The Mayor's Office reports that OSAP has indicated its intention to fund the Community Partnership Program for a

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



five year period. The project began October 1, 1990, and is expected to continue through September 30, 1995. According to Mr. Keith Choy of the Mayor's Office, an application for continued funding must be submitted annually, and the Mayor's Office applied for the proposed funding for 1993 in June, 1992. Therefore, the proposed resolution should be amended to ratify actions previously taken.

2. The budget submitted by the Mayor's Office includes average fringe benefits of only 11 percent of salary because officials in the Mayor's Office who are exempt from Civil Service requirements receive fewer benefits than Civil Service employees, according to Mr. Choy.

3. The \$196,000 in Empowerment Funds will be awarded to community-based organizations to develop networks and strategies for drug intervention efforts by neighborhood residents in 8 neighborhoods targeted by the Mayor's Office. These neighborhoods are the Western Addition, the Tenderloin, Potrero Hill, the Mission District, Bayview/Hunter's Point, Visitacion Valley/Sunnydale, Oceanview-Merced-Ingleside, and Chinatown.

Mr. Choy reports that a Request for Proposal was issued in September, 1992 and that a number of agencies have responded, but that a final determination has not been made regarding which agencies will receive the Empowerment Funds. The Empowerment Funds in the amount of \$196,000 should therefore be placed on reserve pending the identification of the community-based organizations which will conduct the Neighborhood Empowerment Program.

Mr. Choy reports that the Empowerment Funds for 1993 will be augmented by approximately \$350,000 in grant funds which will be carried forward from 1992.

4. The \$624,000 allocated as contractual services for the Neighborhood in Transition Program will fund services provided by the Japanese Community Youth Council in 9 additional City neighborhoods. These neighborhoods are South of Market, Haight Ashbury, Sunset, Richmond, Hayes Valley, Japantown, North Beach, Bernal Heights, and Diamond Heights. JCYC has provided these services since late 1991, and is reimbursed by the Mayor's Office for its expenses in conducting the program.

5. The project budget also includes \$63,605 to provide stipends to youth who participate in workshops and community activities sponsored by the Mayor's Youth Forum. Each

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

youth is enrolled for a one-year internship beginning in September and receives a stipend of \$5.00/hour.

6. The proposed resolution, which would result in \$1,273,997 in grant funds, would amend two previous resolutions of the Board of Supervisors which concerned funding for the Community Partnership Program. Resolution 858-90, adopted October 22, 1990, authorized the Mayor to apply for, accept, and expend \$500,000 for the Community Partnership Program for the period October 1, 1990 through September 30, 1991. Resolution 116-91, adopted January 30, 1991, amended Resolution 858-90 by increasing the amount the Mayor was authorized to apply for, accept, and expend from \$500,000 to \$721,186, and extending the grant period by three additional months, to December 31, 1991. In other words, these previously adopted resolutions authorized a total of \$721,186 for calendar year 1991, which was the first year of the project.

The effect of adopting the proposed resolution as written would be to change the dollar amount of the grant authorized for 1991 from \$721,186 to \$1,273,997, in order to reflect the proposed grant amount for 1993. However, the Budget Analyst notes that Resolutions 858-90 and 116-91 were previously amended by Resolution 931-91 in October, 1991 to reflect supplemental funds for this grant program, and that Resolution 931-91 was itself amended in February, 1992 (File 68-92-1) to reflect continuation funds for 1992.

The Budget Analyst believes that it is not necessary for the proposed resolution, which would authorize grant funding for 1993, to amend Resolutions 858-90 and 116-91, which authorized grant funding for 1991. Adopting such a continuing series of amendments to the original resolutions over the 5 years of the grant program will tend to confuse the record of the Board of Supervisors authorizations for these grant funds.

Therefore, the proposed resolution should be amended to delete references to previous resolutions. Since the Mayor's Office has already applied to OSAP for grant funds for 1993, the proposed resolution should also be amended to ratify actions previously taken. In addition, the proposed resolution should be amended to reflect indirect costs in the amount of \$35,161.

The title of the proposed resolution should read as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Authorizing the Mayor to apply for, accept, and expend funds in the amount of \$1,273,997, as made available through the Federal Office for Substance Abuse Prevention, for a project entitled, "The Community Partnership Program," which includes indirect costs in the amount of \$35,161; and ratifying actions previously taken.

The body of the proposed resolution should be amended as follows:

1) At page 1, by deleting lines 15 through 24, and substituting the words, "WHEREAS, the Federal government has advised the City that \$1,273,997 will be available to the City for the period January 1, 1993 through December 31, 1993, which includes indirect costs of \$35,161; now therefore be it..."

2) At page 2, lines 2 and 3, by deleting the words, "hereby amends Resolutions No. 858-90 and 116-91 to authorize and direct the Mayor to apply for, accept, and expend," and substituting the words, "hereby authorizes and directs the Mayor to apply for, accept, and expend..."

3) At page 2, line 6, by deleting the words "and, be it," and substituting the words "and ratifies actions previously taken."

4) At page 2, by deleting lines 7 through 9, which provide that except for the amendments included in the proposed resolution, the previous resolutions remain in full force and effect.

7. Attached is the Summary of Grant Request submitted by the Mayor's Office.

8. Mr. Choy states that disability access checklists will be prepared for the community based agencies that receive \$196,000 in funding for the Neighborhood Empowerment Program in 1993, as a provision of receiving grant funds. However, Mr. Choy states that these checklists are not available at this time, since the Mayor's Office has not reached a final determination concerning which agencies will receive funding. Therefore, the \$196,000 for the Neighborhood Empowerment Program should be reserved pending identification of the agencies to perform services and submission of disability access checklists for these agencies to the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

- Recommendations:**
1. Amend the proposed resolution as described in Comment 6 above, in order to avoid amending previous resolutions which authorized grant funds for 1991, to include indirect costs, and to ratify actions previously taken to apply for the continuation grant.
  2. Amend the proposed resolution to reserve \$196,000 in Empowerment Funds pending identification of the community-based organizations that will provide services, and submission of disability access checklists for these agencies.
  3. Approve the proposed resolution, as amended.

## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: MAYOR'S CRIMINAL JUSTICE COUNCIL

Contact Person: KEITH CHOY Telephone: (415) 554-6558

Project Title: EMPOWERING PARENTS AND YOUTH PROJECT, COMMUNITY PARTNERSHIP

Grant Source: FEDERAL OFFICE OF SUBSTANCE ABUSE PREVENTION, DEPT OF HEALTH

Proposed (New / Continuation) Grant Project Summary:

(SEE ATTACHED)

Amount of Grant Funding Applied for: \$1,273,997

Maximum Funding Amount Available: \$1,273,997

Required Matching Funds: none

Number of Positions Created and Funded: 6

Amount to be Spent on Contractual Services: \$825,000

Will Contractual Services be put out to Bid? \$196,000 will be put out to bid

Term of Grant: BUDGET PERIOD 01/01/93 - 12/31/93

Date Department Notified of Available funds: 09/30/92 - Grand Awarded

Application Due Date: JUNE 30, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

This is a continuation grant application for the Federal Community Partnership Program, funded by the Federal Office for Substance Abuse Prevention, made available through the Anti-Drug Abuse Act of 1988.

The Community Partnership Program is designed to provide training technical assistance leadership development and community organizing to neighborhoods to prevent the incidence of substance abuse.

Aime K. Rosenberg

Department Head Approval

## PROJECT SUMMARY

The City and County of San Francisco, through the Mayor's Criminal Justice Council, and the Mayor's Drug Prevention Task Force, continued to expand and improve on numerous partnerships in a coordinated city wide effort to reduce the incidence of alcohol and substance abuse. The Project is a five year project funded by the Federal Office of Substance Abuse Prevention. The Community Partnership Project legislation emphasizes the development of a variety of Prevention and self-help approaches needed in a city of great economic and cultural diversity.

The Empowering Parents and Youth Community Partnership Project (EPY) will continue to provide opportunities for neighborhoods to devise solutions to change factors that contribute to substance abuse, open up ways youth may participate in the public problem solving process, coordinate shared work among city departments and community based agencies, and provide support for parent organizations, during its third year.

The EPY project is designed to target services to eight neighborhoods : Bayview Hunters Point, Potrero Hill, Chinatown, Mission, Visitacion Valley, Tenderloin, Western Addition, and the Oceanview-Merced-Ingliside(OMI).

With the awarding of the grant to the City and County of San Francisco to the Neighborhood in Transition- A Multi- Cultural Partnership Project (NIT-AMP) in October 1991, the Empowering Parents and Youth Project now provided an array of partnership prevention activities in seventeen neighborhoods.

The key significant program are:

- The Mayor's Youth Forum (MYF), equips neighborhood youth with leadership and empowerment skills to assist in the problem solving process of the City and the neighborhoods. The Mayor's Youth Forum, now has expanded its capacity to develop neighborhood youth forums and councils.

- The creative and urgent efforts of neighbors, parents, and youth, in a variety of neighborhood based strategies and actions, through our Neighborhood Empowerment Program (NEP).

- The Mayor's Drug Prevention Task Force, is composed of twenty citizens appointed by the Mayor to oversee the project and provide policy recommendations regarding substance abuse prevention.

In September of 1992, the Mayor officially appointed a new Mayor's Drug Prevention Task Force. The twenty member citizen group reflects the cultural diversity of the City and provides a wealth of experiences in neighborhoods, youth work and prevention activities. The new task force will provide annual policy recommendations to the mayor, review related policy papers, and to support the efforts of the Community Partnership program.

- The development of the Neighborhoods In Transition -A Multi-Cultural Partnership( NIT-AMP) now expands our community partnership efforts to nine additional neighborhoods: Hayes Valley, Diamond Heights/Glen Park, Bernal Heights, Haight, Richmond, Sunset, Japan town, North Beach, and South of Market. The project is administered by the Japanese Community Youth Council.

The nine new neighborhoods represent an important trend of the future; the cultural diversity of each neighborhood re-frames the way citizens must work and plan together. While in the past, these nine neighborhoods, represented one or two dominant ethnic/racial populations, the challenge for the NIT-AMP program is to bring these changing neighborhoods of many cultures together to identify and solve common problems around substance abuse.

- To improve citywide planning and coordination, the coordination of Community Partnership efforts with the County Health Department's Community Substance Abuse Services Division, to develop a County-wide Master Plan Process mandated by the State Alcohol and Drug Abuse Division.



Items 11 and 12 - Files 172-92-15 and 97-92-61

**Note:** These items were continued at the November 18, 1992 Recessed Finance Committee Meeting.

**Departments:** Chief Administrative Officer (CAO)

**Items:** File 172-92-15, a proposed ordinance, contains the following provisions:

(1) Approving and authorizing the execution and delivery of an agreement of purchase and sale for real estate (including certain indemnities and the release of the seller contained therein);

(2) Approving and authorizing (a) an assignment of purchase for sale of real estate; (b) a facilities lease (including certain indemnities contained therein); (c) a trust agreement (including certain indemnities contained therein); and (d) an official statement;

(3) Authorizing the distribution of an official notice inviting bids in connection with the City and County of San Francisco Certificates of Participation (1660 Mission Street Project) Series 1993;

(4) Authorizing the Chief Administrative Officer to fix rents to be charged and to submit budgets for approval;

(5) Authorizing and ratifying execution of documents reasonably necessary for the execution, delivery and sale of the Certificates of Participation; and

(6) Adopting findings pursuant to City Planning Code Section 101.1, all in connection with the acquisition and leasing of the 1660 Mission Street property.

File 97-92-61 is a proposed ordinance amending the San Francisco Administrative Code by adding Chapter 10F thereof to establish a surcharge on plan, permit, environmental review, and related fees to recover costs for acquiring office space at 1660 Mission Street.

**Location:** 1660 Mission Street

**Purpose of Purchase:** To purchase a building as a location for a "One Stop Permit Shop" for building permits, i.e., to consolidate Bureau of Building Inspection, Planning Department, and Fire Department permit processes at a single location.

**Seller:** Paul B. Andrew, bankruptcy trustee appointed by the court to oversee the asset

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Developer:** The Derringer Group

**No. of Sq. Ft.:** 97,536 gross square feet; 66,987 net rentable square feet

**Total Cost:** \$5,700,000  
(\$85.09 per net rentable square foot; however, see Comment 11 regarding an additional cost of \$3.5 million for tenant improvements)

**Source of Funds:** Surcharge on plan, permit, environmental review, and related fees, collected by various departments, to support debt service for Certificates of Participation

**Description:** Currently, persons or companies wishing to build or remodel in San Francisco must visit up to four locations to receive permit approval: City-owned 450 McAllister, which houses the Department of City Planning, the DPW Bureau of Building Inspection, and certain Fire Department employees with permit responsibility; City Hall, which houses the DPW Division of Surveys and Maps; leased space at 524 Golden Gate, which houses employees of the Bureau of Building Inspection responsible for Plumbing and Electrical Permits; and leased space at Fox Plaza, which houses the code enforcement portion of the DPW Bureau of Building Inspection.

The proposed ordinance would support the purchase of 1660 Mission Street, an office building containing 66,987 rentable square feet of unfinished space, at a cost of approximately \$5.7 million. The building would be used to establish a "One Stop Permit Shop" (i.e., to consolidate Bureau of Building Inspection, Planning Department, and Fire Department permit processes at a single location instead of in the four current locations). 1660 Mission Street was completed to core and shell condition in mid-1991 and is a six-story steel frame office building with a one level subterranean garage. Included in the purchase price of this building is an adjacent vacant lot containing approximately 5,080 square feet, which will be used for parking.

The proposed purchase of 1660 Mission Street is to be financed with Series 1993 Certificates of Participation. Certificates of Participation are proportionate interests in the lease-purchase of property, which are sold to investors. The investors would receive a return on their investment through the lease payments made by the City. The City would assign its rights under the Purchase and Sale Agreement to a trustee, who would issue the Certificates of Participation. The City would then be obligated to make lease payments to

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

the trustee to repay the holders of the Certificates of Participation.

To support these Certificates of Participation, the CAO proposes to implement a surcharge on the following categories of fees:

- (a) Plan Review Fees;
- (b) Building Code Fees;
- (c) Public Works fees;
- (d) Planning Code fees;
- (e) Administrative Code fees.

All of these fees would be increased, through a surcharge, as follows:

- (1) 3 percent for the period commencing July 1, 1993 through June 30, 1995;
- (2) a total of 4.5 percent for the period commencing July 1, 1995 through June 30, 2000; and
- (3) a total of 6.5 percent for the period commencing July 1, 2000 through June 30, 2005.

Effective July 1, 2005, the surcharge would expire.

The exact amount of the increase in fees, representing a surcharge, would vary depending on the size and complexity of the project. Mr. Larry Litchfield of the Bureau of Building Inspection reports. Based on estimated average sizes for small, medium and large jobs, Mr. Don McConlogue of the BBI reports that this surcharge would result in the following dollar costs:

- (1) 53 percent of permits consist of small residential projects, with an average value of \$5,800. Such projects would result in a surcharge of \$4.53 in the first period; \$6.80 in the second period; and \$9.82 in the third period;
- (2) 42 percent of permits consist of medium sized residential or commercial projects, with an average value of \$47,000. Such projects would result in a surcharge of \$42.83 in the first period; \$64.25 in the second period; and \$92.80 in the third period;
- (3) .1 percent of permits consist of large commercial projects, with an average value of \$402,000. Such a project would result in a surcharge of \$198.88 in the first period, \$298.32 in the second period; and \$430.90 in the third period.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Mr. McConlogue reports that the remaining approximately 5 percent of permits include miscellaneous projects whose fees are consistent with the fees noted above.

Fees are based on the valuation of a construction project, Mr. McConlogue advises. According to Mr. Fred Weiner of the CAO's Office, these surcharges are structured so as to result in revenues equal to the total debt service over the financing period, including the purchase price of the building, at \$5.7 million, and tenant improvements, at \$3.5 million, for a total of \$9.2 million plus financing costs of approximately \$1.87 million, for a total of \$11.07 million plus interest.

**Comments:**

1. According to Mr. Litchfield, 1660 Mission includes six floors, which would be used as follows:

*First Floor:*

to include 95 parking spaces, to be made available for public parking; and public information booths where seven employees would provide information regarding the status of an application, code interpretations, zoning and Fire Code information, etc.

*Second Floor:*

to include the permit center and the construction services center.

*Third and Fourth Floor:*

to include the building, electrical, plumbing, housing and code enforcement sections, including all inspectors.

*Fifth Floor:*

to include the administrative offices for the various applicable departments.

*Sixth Floor:*

to include offices for agency heads, Planning Commission meeting rooms, employee meeting rooms, other meeting room space, and an employee lunch room. (Note: The Budget Analyst questions the necessity of a lunch room.)

2. Mr. Weiner advises that approximately 300 employees, now occupying the four different locations noted in the description above, would relocate to 1660 Mission Street. According to Mr. DeLucchi, Director of Property, 450 McAllister consists of approximately 40,000 square foot, while the remaining three locations consist of approximately 8,300 square feet, for a total of 48,300 square feet. 1660 Mission Street contains 66,987 rentable square feet, representing an increase of 18,687

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



square feet, or approximately 39 percent. Each employee would occupy an average of 223 square feet, including a portion of public meeting rooms and interview rooms, whereas presently each employee occupies an average of 146 square feet. Mr. DeLucchi advises that current conditions are overcrowded, and that the new space would also include meeting and interview rooms not currently in place.

3. Mr. Litchfield anticipates a 20 percent improvement in efficiency as a result of the proposed "One Stop Permit Shop." This 20 percent improvement in efficiency is based on the experiences of Phoenix, Arizona, and San Diego, California, where the consolidation of permit processing has resulted in a 20 percent reduction in permit processing time. However, there is no documentation as to the percentage of efficiency that would be achieved in San Francisco. Mr. Litchfield advises that, based on meetings with permit applicants, most permit applicants who have been in contact with the departments have indicated a willingness to pay increased fees in exchange for reduced permit processing time. However, there is no documentation as to whether such applicants, who have been in contact with the various departments, are representative of all of the applicants on an annual basis. Currently, permit processing time takes from one day for small remodeling projects, such as kitchen remodeling, reroofing, or window replacement, to 90 days for large construction projects.

4. Mr. Litchfield advises that because of the increased efficiency, the various departments would be able to process a larger number of permits in the proposed new building with the same number of employees. Therefore, the proposed new building would accommodate any growth in permit requests in future years, Mr. Litchfield reports.

5. According to Mr. Litchfield, if the proposed "One Stop Permit Shop" is established at 1660 Mission, the permit application process would be restructured. Instead of applicants submitting applications in writing which are later reviewed by permit processors, applicants would meet with permit processors to review applications in person. This new process is anticipated to result in substantial increased efficiencies beyond the anticipated 20 percent increased efficiency noted above, Mr. Litchfield reports.

6. Mr. Litchfield reports that, in accordance with a 1989 recommendation by the Budget Analyst, permit processing has already been somewhat consolidated into a Construction Services Center at 450 McAllister. The Construction Services Center consists of two City Planning employees, two Fire

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Department employees, and two Surveys and Mapping employees who provide information to the public. Mr. Litchfield advises that this consolidation has resulted in the ability to issue permits over the counter for small residential improvement projects. However, due to space limitations at 450 McAllister, most employees who carry out permit processing functions are located on a number of different floors. As of the writing of this report, the Budget Analyst has not been provided with any documentation regarding increased efficiency as a result of the Construction Services Center.

7. According to Mr. Weiner, savings from terminating the lease at 524 Golden Gate and at Fox Plaza would total approximately \$128,868 per year, including \$46,068 for Fox Plaza and \$82,800 at 524 Golden Gate. Mr. Weiner advises that these leases will terminate prior to the proposed occupation of 1660 Mission Street. Future additional rental costs would be avoided when the employees were moved to 1660 Mission Street from the City-owned 450 McAllister, because this would enable City Hall employees to relocate to 450 McAllister during seismic renovations at City Hall, instead of relocating to rented spaces, Mr. Litchfield advises.

8. Mr. Weiner reports that the CAO had previously considered constructing a new building on the City-owned 450 McAllister site and adjoining lots. However, Mr. Weiner advises that the cost of constructing a new building at that site would be approximately \$60 to \$70 million. That site is now proposed as a possible location for a new courthouse, to be funded from the Courthouse Construction Fund, Ms. Kate Harrison of the Superior Court advises.

9. Mr. Litchfield reports that several alternative locations were investigated for possible rental rather than purchase, including the Coca Cola Building on 11th Street, 614 Van Ness at Golden Gate. However, these buildings would be costly to rent. In addition, these buildings are not seismically sound or handicapped accessible, and would therefore require substantial improvements, Mr. Litchfield reports. According to Mr. DeLucchi, 1660 Mission Street was constructed in accordance with the seismic safety standards as set forth in the 1979 Uniform Building Code, as mandated by the Board of Supervisors in January, 1984. The building is also handicapped accessible, in accordance with Title 24 of the State Code.

10. According to Mr. DeLucchi, construction on 1660 Mission began four years ago. One year ago, after the Darringer Group declared bankruptcy, the building came into the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



jurisdiction of the bankruptcy court. The City has negotiated to pay \$5,700,000 for 1660 Mission, less outstanding fees owed to the City in the amount of \$455,000 for affordable housing. These fees would be paid by the City from an escrow account. The seller would receive the remaining \$5,245,000.

11. If the proposed ordinance is approved, Mr. Litchfield anticipates that tenant improvements would be completed and the building could be occupied by January 1, 1994. Such tenant improvements would cost approximately \$3.5 million. The estimated \$3.5 million in tenant improvements would be in addition to the proposed purchase price of \$5.7 million, for a total acquisition price for 1660 Mission Street of \$9.2 million, which would be paid from the Certificates of Participation plus interest. Tenant improvements consist of constructing walls, partitions, installing heat, ventilation, and air conditioning, carpeting, etc. Moving costs are included in the budget for tenant improvements, Mr. Weiner reports. The funds for these tenant improvements would come from the sale of the Certificates of Participation noted above, which would be repaid from the fee surcharges.

12. According to Mr. DeLucchi, tenant improvements would need to be completed at any facility occupied by the City. The cost of such improvements would vary based on the negotiations with the seller or renter, according to Mr. DeLucchi.

13. Mr. DeLucchi advises that the cost to the City of constructing a new building comparable to the present 1660 Mission Street building is estimated to be approximately \$11,803,900, (including approximately \$10,725,000 (based on \$110 per gross square foot times approximately 97,500 square feet) for the building alone, plus approximately \$1,078,800 for the land (based on \$60 per square foot times 17,980 total square feet of land)) or over twice the cost of the proposed acquisition of 1660 Mission Street for \$5,700,000. Tenant improvements, which are budgeted for 1660 Mission at approximately \$3.5 million in addition to the purchase price, would be in addition to construction and land costs for a new building. Therefore, the estimated cost of constructing a new building is approximately \$15,303,900 plus interest (assuming that tenant improvement costs for a new building would be \$3.5 million), or approximately \$6,103,900, or 66 percent more than purchasing 1660 Mission Street, which is estimated to cost \$9.2 million, including tenant improvements. Financing costs for this new building would be higher than comparable costs to acquire 1660 Mission because the total Certificates of Participation issue would be higher. Mr. Weiner advises that the Derringer Group and

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

related financing institutions invested approximately \$17 million in the construction of 1660 Mission Street.

14. Mr. Litchfield advises that the City's permit processing procedures are anticipated to be improved because a new employee with inter-departmental authority is being hired to coordinate permit processing. A new classification for this position has been approved by the Civil Service Commission and has been included in the FY 1992-93 budget. The new position will also be the person responsible for coordinating the Construction Services Center. If the proposed ordinance is approved, this new position would be instrumental in laying out and formalizing the permit processing plans at 1660 Mission Street, Mr. Litchfield reports.

15. The Budget Analyst notes that the departments have no documentation supporting anticipated increased efficiency or reduced rental costs. Therefore, the Budget Analyst recommends that, if the Board of Supervisors approves this proposed ordinance, the various departments be required to present an annual report to the Board of Supervisors documenting increased efficiency, reduced rental costs, and any other relevant information as a result of the proposed building purchase.

16. The CAO has introduced an Amendment of the Whole for the proposed ordinance (File 172-92-15) that would allow the CAO to negotiate the sale of the Certificates of Participation to an underwriter, if such a negotiation would be in the best interests of the City. However, the CAO currently anticipates competitively bidding the Certificates of Participation unless the market changes significantly over the next few months.

**Recommendations:** (1) Amend the proposed ordinance to require annual reports documenting improvements in efficiency, reduced rental costs, and any other relevant information as a result of the proposed building purchase. (File 172-92-15)

(2) Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Item 13 - File 170-92-12

**Department:** Chief Administrative Officer (CAO)

**Item:** Resolution declaring the official intent of the City and County of San Francisco to reimburse funds to itself from proceeds of taxable or tax-exempt indebtedness (bonds) for certain expenditures (bond administration expenditures) incurred before the bonds are sold in connection with 1) providing loans for the seismic strengthening of unreinforced masonry buildings devoted to affordable housing and to market-rate residential, commercial and institutional uses and 2) the construction and reconstruction of Fire Department facilities. (The CAO will introduce an Amendment of the Whole to delete the first application, number 1, above, pertaining to loans for seismic strengthening of unreinforced masonry buildings. The description below pertains only to the construction and reconstruction of Fire Department facilities.)

**Description:** In November, 1992 the citizens of San Francisco approved a \$40.8 million General Obligation Bond measure (Proposition C). The \$40.8 million includes \$40.0 million for the construction and reconstruction of Fire Department facilities including seismic strengthening, asbestos abatement, disabled access and separate bathroom and changing areas for male and female firefighters and \$800,000 for bond administration costs incurred by the City Attorney and the Chief Administrative Officer.

Ms. Laura Wagner-Lockwood of the CAO's Office reports that the \$40.8 million in bonds for the Fire Department will be sold in April, 1993. Ms Wagner-Lockwood will make an estimate of bond administration costs when bond council is selected and will request a supplemental appropriation ordinance at that time. The funds obtained with the supplemental appropriation for up-front bond administration costs would be reimbursed from the bond proceeds when the bonds are sold.

Chief James Lynch of the Fire Department indicates that there are no funds in the Fire Department's 1992-93 budget that can be used for bond administration costs. Therefore, any up-front funds must be appropriated by supplemental appropriation and reimbursed from bond proceeds.

U. S. Internal Revenue Service regulations require that the City must declare its official intent to reimburse itself for any

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 2, 1992

expenditures that are to be financed by the proceeds of bonds but are incurred before the bonds have been sold.

**Comments:** The proposed resolution declaring the City's official intent to reimburse itself does not bind the City to make any expenditure, incur any indebtedness or proceed with any capital projects.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 14 - File 68-92-11

**Department:** Mayor

**Item:** Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$1,062,500 in Grant Year One (actually 17 months, from October 1, 1992 through February 28, 1994)\* and \$750,000 in each subsequent year through September 29, 1997,\*\* including indirect costs in the amount of two percent of the total grant award, or \$21,250 in year one and \$15,000 each year thereafter, made available through the Department of Health and Human Services, Office of Human Development for a project entitled "San Francisco Gang Prevention Project," and agreeing to provide in-kind match in the amount of \$459,207; providing for ratification of action previously taken.

**Grant Amount:** \$62,500 per month, or \$1,062,500 for the 17 month Grant Year One, beginning October 1, 1992 and ending February 28, 1994, and \$750,000 each year (\$62,500 per month) for four years thereafter. The total five year and five month grant amount would be \$4,062,500.

**Grant Period:** Five years, five months total, beginning October 1, 1992 through February 28, 1998 (65 months)

**Source of Funds:** Federal Department of Health and Human Services  
Office of Human Development

**Project:** San Francisco Gang Prevention Project

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\* The Department and Health and Human Services anticipates changing the fiscal year for the proposed grant from an October through September fiscal year to a March through February fiscal year. Therefore, the first fiscal year of the proposed grant would actually include 17 months, from October 1, 1992 (the start date of the old fiscal year schedule) to February 28, 1994 (the end date of the next new fiscal year schedule). The total grant amount for the 17 month period would be \$1,062,500, or \$62,500 per month, the same monthly amount as the ensuing four years of \$750,000 per year, or \$62,500 per month.

\*\* The proposed grant would authorize the Mayor to apply for, accept and expend funds through September 29, 1997. However, according to Mr. Patrick Lynch of the Mayor's Office, the grant period for the proposed grant would end February 28, 1998. Therefore, the title of the proposed grant should be amended to authorize the Mayor to apply for, accept and expend funds through February 28, 1998.

**Description:**

The purpose of the San Francisco Gang Prevention Project, which began in 1989, is to develop, implement and evaluate a comprehensive program to prevent children and youth from becoming involved in gangs or drugs, and to redirect young people who are already participating in gang- or drug-related activities.

The proposed project would provide coordinated services, including: (1) community-based street outreach and case management; (2) gang and drug prevention education in schools and neighborhood centers; (3) training in family communication, youth leadership and gang negotiation skills; and (4) expanded recreational and social activities for targetted youth. These efforts, instituted by a consortium of community-based organizations, would be coordinated by the Mayor's Office.

**Budget:**

The following budget includes a 17 month period, from October, 1992 to February, 1994. The proposed budget for the ensuing four years would be equal to <sup>12</sup>/<sub>17</sub> of this proposed budget, since this budget is for 17 months and those budgets would be for 12 months.

	<u>Federal</u>	<u>City Match</u>	<u>Total</u>
<u>Personnel</u>			
Project Director		\$120,417	\$120,417
Project Coordinator	\$54,035	0	54,035
Project Staff Assistant	41,007	0	41,007
Administrative Clerk	0	<u>34,000</u>	<u>34,000</u>
Subtotal Personnel	\$95,042	\$154,417	\$249,459
<u>Fringe Benefits</u>			
Fica	\$1,352	0	\$1,352
Cal. Health	2,125	0	2,125
Retirement	<u>7,084</u>	0	<u>7,084</u>
Subtotal Fringe Benefits	\$10,561	0	\$10,561
<u>Travel</u> (see Comment 3)	\$8,500	\$7,084	\$15,584
<u>Office Supplies</u>	\$7,551	\$7,084	\$14,635
<u>Contractual</u> (see detail, below)			
Bayview-Hunter's Point Foundation	\$81,464	\$24,821	\$106,285
Chinatown Youth Center	81,464	24,821	106,285
Ella Hill Hutch Community Center	81,464	24,821	106,285
O.M.I. Pilgrim Community Center	81,464	24,821	106,285
Potrero Hill Neighborhood House	81,464	24,821	106,285
Real Alternatives Program Inc.	81,464	24,821	106,285

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



	<u>Federal</u>	<u>City Match</u>	<u>Total</u>
Visitacion Valley Community Center	\$81,464	\$24,821	\$106,285
Evaluation Component	63,750	0	63,750
S.F. Safety Awareness for Everyone	50,433	14,167	64,600
Community Board Program Inc.	<u>35,415</u>	<u>10,625</u>	<u>46,040</u>
Subtotal Contractual Services	\$719,846	\$198,539	\$918,385
<u>Services Provided by City Departments</u>			
Police Dept. Wilderness Program (2 FTEs)	51,000	49,583	100,583
Recreation & Parks Department (3 FTEs)	<u>85,000</u>	<u>21,250</u>	<u>106,250</u>
Subtotal City Services	\$136,000	\$70,833	\$206,833
<u>Other</u> (see Comment 4)	63,750	21,250	85,000
<u>Indirect Costs</u> (at 2 percent of total grant)	<u>21,250</u>	<u>0</u>	<u>21,250</u>
Totals	\$1,062,500	\$459,207	\$1,521,707

**Contractual  
Services Detail:**

Contractual Services (17 months)

Seven community based agencies would each provide two full-time Youth Developers (approximately \$3,126 per position per month x 17 months). These seven agencies would be as follows:

• Bayview Hunter's Point Foundation	\$106,285
• Chinatown Youth Center	106,285
• Ella Hill Hutch Community Center	106,285
• O.M.I. Pilgrim Community Center	106,285
• Potrero Hill Neighborhood House	106,285
• Real Alternatives Program, Inc.	106,285
• Visitacion Valley Community Center	106,285

Each organization would establish and continue Youth Development outreach and case management strategies; receive referrals from the Juvenile Probation Department, Prevention/ Diversion Unit, Unified School District, Social Services and Recreation and Park Departments and Community Services providers.

*The Institute for the Advance Study of Black Family Life and Culture, Inc.* would provide three professionals to conduct year-end formative

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

evaluations, assist with quarterly reports, develop and implement case management intake forms, provide monitoring services and staff, implement case management intake forms, provide monitoring services and staff assistance. \$63,750

*San Francisco Safety Awareness for Everyone (SAFE)* would provide one full-time Staff Education Specialist to create and maintain a Gang Prevention Education Curriculum and make gang awareness presentations to parent and church groups, neighborhood agencies and other interested organizations. 64,600

*Community Board, Inc.* would provide training and facilitation in family communication skills, as well as a parent trainer program, conflict resolution training for youth and outreach workers and gang prevention, conflict mediation and negotiation workshops for the consortium members. 46,040

Total Contractual Services \$918,385

**Required Match:** \$459,207 for the first 17 months, plus \$324,000 per year for the ensuing four years, for a total of \$1,755,207 for 65 months

**Indirect Costs:** Two percent of total grant amount, or \$21,250 the first year and \$15,000 each year for four years thereafter

**Comments:** 1. The Gang Prevention Project has been in place since 1989. The Gang Prevention Project was previously funded as a pilot project. Therefore, the first three years of funding were one-year grants. This year, the Department of Health and Human Services is funding the Gang Prevention Project for five years because it has determined that the Project is a success.

2. In fiscal year 1991-92, the Mayor's Office received \$616,522, or approximately \$51,377 per month, for the Gang Prevention Project. The proposed 65 month grant of \$62,500 per month represents a monthly increase of 21.6 percent over the previous grant.

3. The grant portion of Travel costs, at \$8,500, would support the Project Director and Project Coordinator to attend at least two meetings, workshops and/or conferences, as mandated by the funder.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. The grant portion of Other costs, at \$63,750, would include recreational equipment, intern stipends, telephone, paging and mobile communications networks (ie, beepers).

5. Mr. Lynch advises that the contractors for the proposed grant were selected in 1989 based on a competitive bid. The contracts for the proposed grant would be sole source renewals. All of the contractors are non-profit organizations.

6. The proposed grant would require a local match of \$459,207, or approximately 43.2 percent of the Federal grant amount of \$1,062,500. This \$459,207 has been included in the FY 1992-93 budgets of various departments, including the Police Department, the Juvenile Probation Department, and the Recreation and Parks Department. Mr. Lynch advises that the local match requirement in ensuing years would remain approximately 43.2 percent, or \$324,000 per year, for a total of approximately \$1,296,000 over four years. This \$1,296,000 would be funded from various departments over the next four years. The total match for the full 65 month period of the proposed grant is \$1,755,207.

7. Three full-time employees from the Recreation and Park Department and two full-time employees from the Police Department would provide services to youth under the proposed grant. The total cost for these five FTEs would be \$206,833, with the proposed grant providing \$136,000, or approximately 65.8 percent of the total cost, and the departments providing \$70,833, or approximately 34.2 percent of the total cost. The Mayor's Office advises that if the proposed grant were reduced or terminated, personnel would be reduced or terminated accordingly.

8. The Mayor's Office has already applied for the proposed grant. Therefore, the proposed resolution provides for ratification of action previously taken.

9. A Disability Access Checklist is in the file.

10. The Mayor's Office has prepared a Summary of Grant Request Form, which is attached.

**Recommendation:** Amend the proposed resolution to authorize the Mayor to accept and expend grant funds through February 28, 1998 instead of September 29, 1997 and approve, as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

## Summary of Grant Request

Rcv. 4/10/90

Grantor DEPT. OF HEALTH & HUMAN SERVICES  
 Contact Person MARIA T. CANDAMIL  
 Address 330 C Street S.W.  
WASHINGTON D.C. 20201  
 Amount Requested \$ 750,000 PER YEAR  
 Term: From Oct 92 To Sept 97  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_

Division MAYOR  
 Section CRIMINAL JUSTICE COUNCIL  
 Contact Person THOMAS MAYFIELD JR.  
 Telephone (415) 554-6994  
 Application Deadline \_\_\_\_\_  
 Notification Expected \_\_\_\_\_

Full Board \_\_\_\_\_

Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)  
 grant in the amount of \$ 750,000 from the period of Oct 92 to Sept 97  
 to provide A comprehensive program to prevent and divert children services.  
and youth from becoming involved in gangs

Summary: (Concise, brief, and to the point; include a brief description of the project and its objectives)  
Seven neighborhood-based community agencies providing alternatives to children and  
youth, through outreach activity, referrals, Wilderness program, Video Van and  
recreational program.

## II. Outcomes/Objectives:

Avoid participation in gang/drug activity  
Participation in more positive activities

## III. Effects of Reduction or Termination of These Funds:

Total shutdown of program and staff through the community.

## IV. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount	822,029	616,522	1,062,500			
Personnel	129,682	129,682	105,603			
Equipment	36,000	16,000	0			
Contract Svc.	631,108	466,040	864,346			
Mat. & Supp.	4,800	4,800	7,551			
Facilities/Space			63,750			
Other			21,250			
Indirect Costs						

## V. Data Processing

(none included above)

## VI. Personnel

Part CSC \_\_\_\_\_  
 Full Time CSC \_\_\_\_\_  
 Contractual \_\_\_\_\_

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

FOR CSC \_\_\_\_\_

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Exemption Form)



Item 15 - File 172-92-16

**Department:** Airport

**Item:** Resolution approving the "Public Pay Telephone Agreement" between Pacific Bell and the City and County of San Francisco, acting by and through its Airports Commission.

**Description:** The proposed resolution would approve a three year agreement with three one-year options between Pacific Bell and the City to install and operate a minimum of 725 pay telephones throughout the Airport Terminal Building Complex. Pacific Bell would pay the City \$0.018 per passenger (annual total of enplaned and deplaned passengers) with a minimum annual guarantee of \$600,000 to the Airport.

According to Ms. Angela Gittens of the Airport, Pacific Bell has installed and operated pay telephones in the Airport under the existing agreement since the Airport has had pay telephones available to the public. However, because of the deregulation of telecommunications, this is the first time the contract has been bid. Ms. Gittens reports that Pacific Bell is the only company to submit a bid.

**Comments:** 1. The existing agreement between the City and Pacific Bell from 1990 to the present is based on a percentage of Pacific Bell's total revenues received from the pay telephones with a minimum annual guarantee \$300,000. Thus, the minimum annual guarantee of the proposed agreement for the next three years is 100 percent greater than the minimum annual guarantee of the previous agreement. According to Ms. Gittens, in FY 1991-92 Pacific Bell paid the Airport \$500,000 to install and operate 725 pay telephones based on 12 percent of Pacific Bell's total revenues received from the pay telephones.

2. Ms. Gittens reports that the proposed agreement does not include the default long distance telephone carrier. Ms. Gittens advises that the Airport will be issuing the RFP for the contract for the default long distance carrier within the next month. The default long distance carrier is the company that would provide long distance services at the Airport's pay phones when the pay phone user has not selected a long distance carrier. The current long distance default carrier is AT&T.

3. Although the proposed agreement would require Pacific Bell to install and operate 750 pay telephones, these 750 pay telephones have already been installed by Pacific Bell. The proposed agreement would require Pacific Bell to continue to

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 2, 1992

provide 750 operating telephones for the duration of the three year contract.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 16 - File 173-92-4

**Item:** Resolution authorizing the Port of San Francisco to agree to hold the State of California harmless from all claims arising from State Lands Commission processing of a dredging permit.

**Description:** The Port of San Francisco has applied to the State Lands Commission for a dredging permit, in order to dredge (remove debris from) the vicinity of San Francisco's Pier 35 Cruise Terminal. The State Lands Commission is expected to grant permission for the dredging at a meeting scheduled for December 14, 1992, using a standard form agreement which contains an indemnification clause.

The proposed resolution would authorize the Port to hold harmless the State of California from claims arising from approval by the State Lands Commission of the dredging permit for Pier 35.

**Comments:** 1. According to Ms. Veronica Sanchez of the Port, the agreement with the State Lands Commission (SLC) which contains the hold harmless clause will be issued at the time that the dredging permit is issued, and therefore is not available in advance for review by the Board of Supervisors. Ms. Sanchez states that the agreement containing the hold harmless clause is a standard agreement, and the hold harmless clause is expected to be identical to the hold harmless clause contained in the dredging permit issued to the Port by the SLC in 1991. The text of the hold harmless clause used in 1991 is as follows:

It is agreed that [the Port] shall indemnify, save harmless, and at the option of the State of California, defend said State, its officers, agents, and employees, against any and all claims, demands, causes of action, or liability of any kind which may be asserted against or imposed upon the State of California or any of its officers, agents, or employees, by any third person or entity, arising out of or connected with the issuance of this permit, operations hereunder, or the use by [the Port or the Port's] agents, employees, or contractors, of the above-described lands.

Without limiting the generality of the foregoing, such indemnification shall include any claim, demand, cause of action, or liability of any kind asserted against or impounded upon the State of

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

California or any of its officers, agents or employees, arising out of or connected with any alleged or actual violation by [the Port or the Port's] agents, employees or contractors of the property or contractual rights of any third persons or entity. It is agreed that [the Port] shall, at the option of the [State Lands] Commission, procure and maintain liability insurance for the benefit of the State in an amount satisfactory to the Commission.

2. The Budget Analyst notes that the hold harmless clause described above differs from that which would be authorized by the proposed resolution. The clause which now appears in the proposed resolution is more limited than the clause cited above, since it refers only to "claims and losses," and not to "demands, causes of action, or liability of any kind" as cited above, and would limit the State's liability to claims brought by "individuals, firms, or corporations supplying work services or supplies," rather than by "any third person or entity," as cited above. Ms. Sanchez states that she has confirmed that the hold harmless clause presented above is the language expected to be used in the SLC standard agreement, and the text of the proposed resolution should therefore be amended accordingly.

3. Ms. Sanchez states that the SLC will not issue the dredging permit at its next meeting of December 14, 1992 without the Board of Supervisors' authorization to enter into the standard agreement which contains the hold harmless clause. Approval of the proposed resolution by the Board of Supervisors would be needed on December 7, 1992 in order for the dredging permit to be issued on December 14. Ms. Sanchez states that dredging of Pier 35 is expected to take only 2-3 days, but that expeditious dredging is needed in order to ensure that the dredging does not interfere with the Bay herring season.

**Recommendation:**

1. Amend the proposed resolution by deleting the text of the hold harmless clause which appears at page 1, line 15 through page 2, line 4 of the proposed resolution, and by substituting the hold harmless clause quoted at Comment 1 above, in order to reflect the language expected to be used in the standard agreement used by the State Lands Commission for the dredging permit.

2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Item 17 - File 51-92-3

This item transmits the claims of various City employees for reimbursement for personal property damaged and/or stolen in the line of duty.

Section 10.25-1 of the San Francisco Administrative Code authorizes the Controller to provide reimbursement to City employees to recover part or all of the costs of replacing or repairing equipment or property which has been damaged or destroyed in the line of duty without the fault of the City employees. The Controller recommends reimbursement after reviewing the claim submitted to the Controller, and after reviewing the Department Head's certification to the Controller that the damage occurred in the line of duty and that the amount certified for payment is fair and reasonable.

Comments

1. The employee claims are for the three month period of July, August and September, 1992.

2. As of the writing of this report, Mr. John Madden of the Controller's Office advises that the Controller's Office has not completed it's report on the recommended reimbursements for the employee claims. Mr. Madden advises that the report will be ready for presentation at the Finance Committee Meeting on December 2, 1992.



Item 18 - File 82-92-9

**Departments:** Real Estate Department  
Airports Commission

**Item:** Resolution authorizing the acquisition of 100 additional noise easements in the City of South San Francisco for the Airport's Phase VII Noise Easement Program.

**Description:** The San Francisco International Airport's Noise Easement Acquisition Program consists of insulating private residences and schools in the City of South San Francisco and other cities that are located near the San Francisco Airport. The proposed legislation would authorize the acquisition of 100 additional noise easements in the City of South San Francisco as part of the Airport's Phase VII Program.

Once purchased, the noise easements would remain in effect for 20 years. As consideration for the granting of noise easements from the property owners to the City, the City would pay 20 percent of the total construction cost and title insurance fees to insulate the 100 residences. The cost to the City would not exceed \$250,000, according to the proposed legislation. This \$250,000 has been included in the Airport's FY 1992-93 budget. The City of South San Francisco would pay the remaining 80 percent, or \$1 million, of the total construction costs and title insurance fees of approximately \$100 per easement, with funding obtained from Federal grant funds.

**Comments:** 1. The Real Estate Department reports that the acquisition of the 100 additional noise easements in the City of South San Francisco would satisfy the State-mandated noise mitigation requirements. The Board of Supervisors has previously approved eight different resolutions to acquire a combined total of 533 noise easements in the City of South San Francisco. If the proposed resolution is approved, the City would have authorized a total of 633 noise easements in the City of South San Francisco.

2. The City Attorney's Office reports that the purchase of these noise easements enables the City to comply with State legal requirements, and eliminates any costs to defend against noise-related small claims lawsuits filed by the South San Francisco residents who would benefit from the noise easements.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





Item 19 - File 65-92-14

**Department:** Public Utilities Commission

**Item:** Ordinance authorizing lease of Water Department land in Santa Clara County to the Roman Catholic Bishop of San Jose.

**Location:** Pipeline right-of-way of approximately 0.71 acre in Santa Clara County, parallel to the Bayshore Highway between Morse Avenue and Weddell Drive, and adjacent to a community center.

**Purpose of Lease:** Parking and landscaping adjacent to a community center.

**Lessee:** The Roman Catholic Bishop of San Jose

**No. of Sq. Ft. and Revenue/Month:** Approximately 0.71 acre, or approximately 30,928 square feet. Initial rent would be \$900/month, or approximately \$0.03 per square foot per month.

**Annual Revenue:** \$10,800 in the first year

**Utilities & Services:** The lessee would be responsible for the payment of all utilities and services, including water, gas, electricity, and other services delivered to the premises. In addition, the lessee would be responsible to keep and maintain the premises in good condition, at its own expense.

**Term of Lease:** January 1, 1993 through December 31, 2002 (10 years); with four 5-year renewal options.

**Escalation:** \$3,600/year for the first 5 years, beginning January 1, 1994, with adjustments in subsequent years based on fair market value or changes in the Consumer Price Index (see Comment 3).

**Comments:**

1. The premises covered by the proposed lease are part of the City's pipeline right-of-way used to transport and distribute water for municipal use. According to the proposed lease, any and all rights granted to the Roman Catholic Bishop of San Jose, the lessee, "shall be subordinate to the City's use of premises" for this purpose.

The proposed lease states that the premises are adjacent to a community center and may be used solely for the purpose of parking and landscaping. The General Manager of the Public Utilities Commission (PUC) would have sole authority to determine whether the actual use complies

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

with the permitted use. Since the Roman Catholic Bishop of San Jose, the lessee, would be allowed to construct a parking lot at the site, the proposed lease contains the following provisions to protect the City's pipelines:

Construction and Removal of Improvements: Any construction or improvement to the premises must be approved in advance by the General Manager of the PUC, who would determine whether or not the proposed construction would interfere with the City's pipelines. The lessee could be required to alter or remove, at its own expense, any property or installation which interfered with the City's use of the pipelines.

If excavation of the premises by the City is required, the lessee would be required to pay any costs to remove or restore any parking or landscaping improvements damaged by the excavation.

Restrictions on Construction Activities: In order to protect the City's pipeline, the proposed lease requires the lessee to exercise "extreme care in the use of tools and equipment," expressly prohibits the planting of large trees, and restricts the type of vehicles and construction equipment which can be used within 20 feet of the pipeline. In addition, at least 3 feet of soil must be maintained over the City's pipelines at all times.

Maintenance and Title to Lessee's Improvements: The lessee would be responsible to maintain and repair any improvements at its own expense. Upon termination or expiration of the lease, the City would receive title to any improvements, additions, or utility installations on the premises, or could require their removal at the lessee's expense.

Access by City Employees: Employees and representatives of the City would have the right to enter the premises at any time, and access is specifically ensured in order to repair and maintain the pipeline.

Reimbursement for Costs of Repairs: The expense of maintaining and repairing the City's property, including the pipelines, would be borne by the City, unless these costs resulted from the activities of the lessee, its employees, agents, or contractors.

2. Mr. Alan Lucas of the Water Department states that the possibility of damage to the City's property as the result of the lease is extremely remote, since the PUC would be

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

required to approve in advance the scope and method of any proposed construction, and a City construction inspector would be assigned to oversee the construction.

According to Mr. Lucas, the cost of replacing a section of pipe damaged by an impact with construction equipment would be approximately \$200,000. However, this is a hypothetical case, and actual repair costs, if the City's pipelines are damaged, could vary depending on the nature of the damage. Mr. Lucas states that the City Attorney has confirmed that the lessee would be responsible under the proposed lease for the cost of repairing any damage caused by the lessee's use of the premises.

3. The term of the lease would be ten years, with four options to renew the lease for 5 years, for a maximum renewal option of 20 years. Rent in the first year would be \$900 per month, or \$10,800 per year, with annual increases of \$3,600 in the 2nd through 5th years. Thus, annual rent in the first 5 years, beginning January 1, 1993, would be as follows:

<u>Year</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
1993	\$10,800	\$ 900
1994	14,400	1,200
1995	18,000	1,500
1996	21,600	1,800
1997	25,200	2,100

In the alternative, the lessee would be given the option of paying \$70,013 in advance for the first 5 years, which the PUC reports is equal to a constant monthly rent of \$1,500 over 5 years, discounted at 9 percent. In other words, the PUC has calculated that \$70,013 paid in advance is equal to the value of a monthly payment of \$1,500 over 5 years (\$90,000), because of the interest which can be earned at 9 percent on the advance payment.

At the request of either party, the annual rent would be re-assessed, based on fair market value, prior to commencement of the 6th, 11th, 16th, 21st, and 26th years of the lease. Annual increases in all other years after the 5th year, and at any 5 year interval in which re-assessment based on fair market value is not performed, would be proportional to the increase in the Consumer Price Index (CPI) published by the Federal Government. However, the annual rent increase based on the CPI could not exceed 10 percent, even if the CPI increased by more than 10 percent.

**Recommendation:** Approve the proposed ordinance.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





Item 20 - File 106-92-2

**Note:** This item was transferred to the Finance Committee at the November 17, 1992 meeting of the Administration and Oversight Committee, because of its fiscal impact.

1. The proposed resolution would authorize the Civil Services Commission to expend budgeted funds in the amount of \$89,500 to conduct the salary survey for salary standardization for fiscal year 1993-94.

2. Salary Standardization Procedure

The Civil Service salary standardization procedure with respect to Miscellaneous positions operates under the general guidelines of Section 8.401 of the City Charter. This Section provides that City and County Miscellaneous employees be paid "...in accord with the generally prevailing rates of wages for like service and working conditions in private employment or in other comparable governmental organizations in this state." Section 8.407 applies to all employees covered by Section 8.401 and provides a set procedure and a mathematical formula by which wages for those employees will be set. The procedure requires that data on wages paid for comparable employment be collected from five Bay Area counties (Marin, San Mateo, Santa Clara, Alameda, and Contra Costa), from the ten most populous cities in those counties, from other public jurisdictions in the Bay Area (including the State and Federal governments), and from the private sector. Should Civil Service staff determine that insufficient data exist, out-of-Bay Area data may be acquired, provided that the jurisdiction surveyed employs 3,000 or more persons.

Section 8.407 provides the basis for the wage and salary survey conducted to establish wage rates for Miscellaneous City and County employees. The survey is based on "benchmark" classes which are considered to be key classes within occupational groupings. Survey data on wages and salaries are collected for positions judged comparable to the benchmark classes in other jurisdictions and in the private sector. If the prevailing wage, as determined by the survey, is above the wage paid by the City and County, a wage increase for the affected class is warranted; if the prevailing wage is below that paid by the City and County, no wage increase is warranted. In general, if the Civil Service Commission recommends a benchmark class for an increase, all classes tied to the benchmark class will be recommended for a corresponding increase; if the benchmark class is not recommended for an increase, none of the classes tied to that benchmark class will be recommended for a wage increase.

Subsequent to releasing the preliminary salary survey, notices are distributed to employees and employee groups regarding the procedure for requesting adjustments to the recommendations. These internal adjustment requests are analyzed by the Civil Service Commission. Where appropriate, internal salary adjustments over those indicated by the survey are incorporated into the salary recommendations. The amended recommendations are made

available at a public hearing after which they are submitted to the Board of Supervisors.

The Commission updates the salary survey each year in an effort to comply with the Charter's provision (contained in Section 8.407) that salaries be set in accordance with the "prevailing rates" in other jurisdictions. The Charter does not require the survey update. For purposes of setting the salaries for San Francisco employees, however, the Civil Service Commission has defined "prevailing rate" as that rate effective July 1 of the corresponding fiscal year in other jurisdictions. With this definition, the preliminary survey must be updated after the July 1 salaries in other jurisdictions have been determined. In a letter of opinion dated February 16, 1977, the City Attorney concurred with the concept of using July 1 salaries as the "prevailing rate" for purposes of setting San Francisco salaries.

3. Charter Section 8.401 governs in part the method of setting salaries for positions within the City and County service and provides the following:

"Not later than January 15th, 1944 and every five years thereafter and more often if in the judgement of the Civil Service Commission or the Board of Supervisors economic conditions have changed to the extent that revision of existing schedules may be warranted in order to reflect current prevailing conditions, the Civil Service Commission shall prepare and submit to the Board of Supervisors a schedule of compensation as in this section provided."

4. The following is a tabulation of general increases in salaries since the updated salary survey for fiscal year 1992-93 in the majority of the public jurisdictions from which the Civil Service Commission collect salary data under the provisions of the Charter:

Public Jurisdictions  
Salary Increases Since March of 1992

Marin County	5.0%
Contra Costa County	3.0%
Alameda County	4.0%
Santa Clara County	0.0%
San Mateo County	3.0%
State of California	0.0%
City of San Jose	5.0%
City of Oakland	4.0%

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



The Bureau of Labor Statistics (BLS) has reported an approximate average 3.5 percent annual increase in wages in private employment in the greater Bay Area during the past year through June of 1992.

5. Mr. Pat Finney of the Civil Service Commission estimates that the above increases since March of 1992 would result in increases for the City's Miscellaneous employees of approximately one to two percent. However, historically, the results of the final salary survey, released in March of each year, indicate that the actual percentage increase is significantly more than the percentage estimate resulting from the preliminary survey. The Civil Service Commission found that a review of the tabulation of Bay Area salary increases and BLS certifications disclosed that increases in salaries in other jurisdiction are sufficiently significant to warrant a salary survey of public jurisdictions and private employment in order to make salary recommendations for fiscal year 1993-94.

### Comments

1. This will be the eleventh year in which the private sector portion of the salary survey will be provided by contract through the State Personnel Board with the Joint Powers Agency consisting of the City of Anaheim, Hayward Unified School District, County of Sacramento, Sacramento Utilities District, and the County of Sonoma. (Charter Sections 8.401 and 8.407 require the Commission to collect such data from "recognized governmental Bay Area salary and wage surveys of private employers...")

Commission staff report that the cost of the contract with the Joint Powers Agency will be \$87,000 including a salary survey update which may be done later in the fiscal year. The Commission's 1992-93 budget for all Charter-required surveys, including uniformed members of the Police and Fire Departments, Registered Nurses and Transit Operators as well as Miscellaneous employees, totals \$89,500. The remaining funds in the amount of \$2,500 would be used to staff field work, mail questionnaires, telephone use including long distance, printed forms and salary survey books, additional printing costs associated with the salary standardization ordinances and follow-up contacts with surveyed agencies.

2. The Civil Service Commission anticipates that when the final survey is completed, the overall percentage increase for FY 1993-94 for Miscellaneous employees will be less than four percent. Thus, the total estimated cost of Salary Standardization in FY 1993-94 for Miscellaneous employees would be approximately \$44.6 million, including \$32.6 million in General Fund costs.

3. In past years the Civil Service Commission staff has conducted two salary surveys each year to set salaries for Miscellaneous employees. A preliminary survey is prepared by staff and reported to the Commission in January of each year. In March the final survey is conducted by staff updating all private and public data in the preliminary survey. This report is forwarded to the Board of Supervisors, and upon adoption, becomes the basis for the following fiscal year's Salary Standardization Ordinance.

However, to save time and avoid unnecessary duplication, this year the Civil Service Commission is proposing to conduct a single survey. Both the Budget Analyst's management audit and the Controller's performance audit staff have recommended a single survey as a more efficient use of time and personnel. A single survey would result in a larger response to the salary survey from other public sector agencies because they would not be asked for the same information twice in a two-month period.

4. This item was approved by the Administration and Oversight Committee on November 17, 1992 and transferred to the Finance Committee because of its fiscal impact.

**Recommendation**

Approve the proposed resolution.

Item 21 - File 106-92-3

**Note:** This item was transferred to the Finance Committee at the November 17, 1992 rescheduled meeting of the Administration and Oversight Committee because of its fiscal impact.

**Department:** Civil Service Commission

**Item:** Resolution fixing highest generally prevailing wage rates, for private employment on public contracts.

**Description:** The proposed resolution would determine that the highest general prevailing rate of wages paid for private employment on City contracts to various craft workers is as set forth in (a) the General Prevailing Wage Determination survey made by the Director of Industrial Relations of the State of California for all craft workers except Garage Attendants and (b) the agreement between Parking Employers and Teamster Automotive Employees, Local 665 for Garage Attendants.

Charter Section 7.204 requires that contracts for public works or improvement involving construction or fabrication shall provide for the payment of the highest prevailing wage rates to all persons performing labor under such contracts.

Section 6.37 of the City's Administrative Code gives authority to the Board of Supervisors to fix and determine the highest general prevailing wage rates. To assist the Board in the determination of these wage rates, the Civil Service Commission is required to furnish, on an annual basis, data as to the highest general prevailing rate of wages of the various crafts and types of labor, including wages paid on holidays and for overtime, as paid by private employers in the City. In determining these wage rates, the Board of Supervisors is not limited to the data submitted by the Civil Service Commission but may consider such other information on the subject as it may deem proper.

The Civil Service Commission has determined that the General Prevailing Wage Determination made by the State of California's Director of Industrial Relations represents the highest prevailing rates of wages for various craft workers except for Garage Attendants, such as those operating and maintaining City-owned parking lots and garages, because the State's General Prevailing Wage Determination survey does not include any data for Garage Attendants. Therefore, as an alternative, the Civil Service Commission used the agreement between Parking Employers and the Teamsters Automotive Employees, Local 665 as the benchmark for the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

highest general prevailing wage for Garage Attendants. According to the current three year agreement for the period beginning December 1, 1989, the highest hourly rate was \$11.50 per hour as of December 1, 1989, and the current rate is \$12.25 as of December 1, 1991. Negotiations are currently in progress for rates to be effective December 1, 1992.

**Comments:**

1. Mr. Pat Finney of the Civil Service Commission reports that because the proposed resolution would apply to at least 250 different classifications, the Civil Service Commission has not estimated the average increase or decrease in wage rates for all of these positions. However, Mr. Finney notes that a copy of the report which specifies the increase or decrease in prevailing wage rates for each various craft worker position is in the Board of Supervisors file. Mr. Finney estimates that the overall increase in wage rates for all various craft worker positions combined would be less than four percent.

As noted above, any City department which enters into a contract is required by Charter Section 7.204 to pay the highest generally prevailing wage rate for labor performed under the contract. While the Civil Service Commission provides City Departments with annual highest generally prevailing wage rates data, the Civil Service Commission does not actively monitor wage rates paid under City contracts.

2. Mr. Geoff Rothman of the Civil Service Commission reports that the majority of public construction contracts which the proposed resolution would apply to are contracts in the Department of Public Works (DPW) and the Public Utilities Commission. However, the proposed resolution would also apply to public construction contracts in various City departments such as the Airport, the Port or the Water Department. Mr. Lin Lwin of the DPW Contract Office reports that the majority of DPW's public construction contracts are in the DPW's Bureau of Architecture, the Bureau of Engineering and the Clean Water Program. Mr. Lwin indicates that in FY 1991-92, the DPW public construction contracts totalled approximately \$80 million.

Mr. Lwin reports that the percentage of the total contract cost which would be attributable to labor would depend upon the type of construction contract. For instance, Mr. Lwin indicated that a paving contract would have a greater percentage in material costs versus a sewer repair job which would have a higher percentage labor costs. Assuming that the overall increase in wage rates for all various craft worker



positions combined is up to four percent, and assuming a minimum of 50 percent of the contract is attributable to labor costs, the proposed increase in cost to the City for DPW construction contracts would be as follows:

	Estimated Cost of Labor <u>FY 91-92</u>	Potential Cost of Labor <u>FY 92-93</u>	Additional Cost to the City
DPW Construction Contracts	\$40 million	\$41.6 million	\$1.6 million

3. Mr. Roland Hom of the PUC's Contract Compliance Office reports that the PUC Project Managers for public construction contracts monitor whether contractors and sub-contractors are paying prevailing wages. However, Mr. Hom was unable to readily provide information regarding the total amount of public construction contracts which the PUC entered into for FY 1992-93 because of the large number of contracts which the PUC administers. In addition, Mr. Hom indicated that the amount of each contract which would be attributable to labor would vary, and would require an examination of each individual contract.

4. Mr. Kevin Hagerty of the Department of Parking and Traffic reports that the City currently has 12 five-year leases for parking lots or garages in which the City receives a percentage of gross revenues after parking taxes. Mr. Hagerty explains that any increases in operating expenses, due to increases in prevailing wages, would only affect the operators, since the City receives a percentage of gross revenues. Mr. Hagerty also reports that there are five non-profit garages in the City, in which operators would pass increased labor costs to the City, because the City receives a percentage of gross revenue less operating expenses. However, Mr. Hagerty notes that the operators of these five non-profit garages are union operators, so it is likely that any decrease in net revenues which the City will receive has already been reflected in the Department's FY 1992-93 budget. Mr. Hagerty explains it would be difficult to estimate any future increase in costs to the City for either the leased or non-profit parking lots or garages.

5. Mr. Burk Delventhal of the City Attorney's Office reports that the Board of Supervisors is required to approve the highest generally prevailing wage rates paid for private employment under public contracts. As noted above, the Board of Supervisors may consider other information on the subject which would fix the highest generally prevailing wage rates other than the survey which is transmitted by the Civil Service Commission. However, Mr. Delventhal reports

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 2, 1992

that this means that the Board may be provided with other data which indicates what the highest generally prevailing wage rates are, but the Board still must fix these wage rates.

4. This item was approved by the Administration and Oversight Committee on November 17, 1992 and transferred to the Finance Committee because of its fiscal impact.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 22 - File 260-92-1

**Note:** This item was continued at the November 18, 1992 Finance Committee meeting.

**Item:** Resolution urging the transfer of two City remittance banking accounts from the Bank of America, urging the transfer of City revolving banking accounts from the Bank of America, urging that Bank of America not be used for the City's proposed direct payroll deposit program, and urging all officers and employees of the City and County, when given the opportunity to utilize the services of a financial institution for the City, to consider the use of financial institutions other than the Bank of America.

**Description:** The Bank of America has recently reinstated its corporate donations to the Boy Scouts of America. In the past, the Boy Scouts of America has announced a policy to deny membership to homosexual persons.

The proposed resolution contains a finding that, although the Bank of America has stated that the Boy Scouts of America no longer discriminates on the basis of sexual orientation, a contrary public record exists to indicate that, in fact, the Boy Scouts of America does discriminate on the basis of sexual orientation.

The proposed resolution states that the actions of the Bank of America in providing financial support to the Boy Scouts of America is inconsistent with the City's non-discrimination policies and with its policy not to do business with entities whose policies foster and encourage discrimination against any of the residents of San Francisco.

Therefore, the proposed resolution urges the following:

- That two City remittance banking accounts be transferred from the Bank of America.
- That the City's revolving bank accounts be transferred from the Bank of America.
- That the Bank of America not be used for the City's proposed direct payroll deposit program.
- That all officers and employees of the City and County consider the use of financial institutions other than the Bank of America to conduct City business.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. According to the City Treasurer, Ms. Mary Callanan, the City's two remittance accounts cited in the proposed resolution consist of two lock-box remittance accounts which were recently transferred to the Bank of America from another financial institution. Ms. Callanan states that these two lock-box remittance accounts are among three such accounts for which the City is currently soliciting competitive bids from financial institutions.

A lock-box account involves the remittance of payments to the City of San Francisco through a post office box, which is attended by the financial institution to which the deposits are made. This system eliminates the need for preliminary processing by City employees and permits receipts to be expeditiously deposited to the City's accounts.

2. The proposed resolution also urges the transfer of the City's revolving bank accounts. According to the Treasurer's report to the Board of Supervisors of September 18, 1992, City departments maintain approximately 85 separate checking accounts, of which 25 are with the Bank of America. The report estimates that these 25 checking accounts had a combined balance in September 1992 of \$615,100. The Treasurer's list of these 25 accounts is attached to this report.

Ms. Callanan states that departments exercise their discretion in selecting a bank for any revolving accounts which are under their control. Ms. Callanan states that revolving accounts which are held with the Bank of America tend to be less costly to the departments, since the fees for these accounts can be paid from the interest on the City's large compensation account with the Bank of America (see Comment 3).

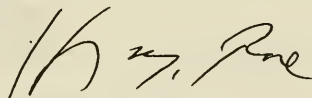
3. According to the Treasurer's September 18, 1992 report, the City maintains a compensating balance account with the Bank of America which contains funds transferred to or from many smaller accounts. The compensating balance account has an average daily balance of \$37.5 million, according to the Treasurer's report, and the interest which accrues to the City from this account is used to pay the cost of numerous banking services, including the fees for the 25 revolving accounts with the Bank of America which are held by individual City departments.

4. The proposed resolution would also urge that the Bank of America not be used for the City's proposed direct payroll deposit program. The City Controller, Mr. Ed Harrington, states that although the development of a direct payroll

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

deposit program has been considered, efforts will not be made to implement such a program at least until the spring or summer of 1993. Mr. Harrington states that the City would select a bank to provide these services through a competitive bidding procedure.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Ted Lakey

## APPENDIX A-1

CITY DEPARTMENTS  
BANK ACCOUNTS  
BANK OF AMERICA(CHECKING ACCOUNTS ORIGINATED BY INDIVIDUAL DEPARTMENTS -  
SERVICE CHARGES PAID FOR BY TREASURER'S ANALYSIS PROGRAM)

<u>DEPARTMENT</u>	<u>BANK LOCATION</u>	<u>AVERAGE OR LATEST BALANCE</u>
ADULT PROBATION	1 Powell Street	\$ 650.
AIRPORTS COMMISSION	S.F.I.A.	10,000.
ASIAN ARTS MUSEUM	800 Irving	1,000.
CITY ATTORNEY	1 Powell Street	65,000.
COMMISSION ON THE AGING	1525 Market	300.
CORONER	345 Montgomery 1525 Market	19,900. 500.
PUBLIC LIBRARY	1 Powell Street	5,000.
HETCH HETCHY	1 Powell Street	7,500.
WATER DEPARTMENT		
Damage Claim	1 Powell Street	1,200.
Consumer Adjustment	1 Powell Street	25,000.
Consumer Deposit	1 Powell Street	-0-
Regular	1 Powell Street	58,000.
S.F. GENERAL HOSPITAL		
Revolving	2850 - 24th Street	38,200.

## APPENDIX A-2

CITY DEPARTMENTS  
BANK ACCOUNTS  
BANK OF AMERICA(CHECKING ACCOUNTS ORIGINATED BY INDIVIDUAL  
DEPARTMENTS - SERVICE CHARGES PAID BY DEPARTMENTS)

<u>DEPARTMENT</u>	<u>BANK LOCATION</u>	<u>AVERAGE OR LATEST BALANCE</u>
AGRICULTURE	2090 Jerrold	\$ 400.
Weights & Measures		
Farmers Market	2090 Jerrold	200.
DEPARTMENT OF ELECTRICITY & BUREAU OF TELECOMMUNICA- TIONS	2090 Jerrold	2,000.
LAGUNA HONDA HOSPITAL		
Patients Trust Fund	288 West Portal	32,000.
POLICE DEPARTMENT		
Contingency Fund A	1 Powell Street	3,000.
Contingency Fund B	1 Powell Street	217,000.
Revolving	1 Powell Street	7,000.
PORT OF SAN FRANCISCO	1 Market Plaza	69,000.
PUBLIC DEFENDER	345 Montgomery	250.
MUNICIPAL RAILWAY	4141 Geary	17,000.
S.F. GENERAL HOSPITAL		
Patient Account	2850 - 24th Street	35,000.





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12/9/92

CALENDAR

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, DECEMBER 9, 1992 - 2:00 P.M.

LEGISLATIVE CHAMBER  
2ND FLOOR, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
  - (a) File 148-92-9. [Grant - State Funds] Resolution authorizing the Director of Public Works to expend up to \$1,044,335 from the State of California for roadway work on city streets in accordance with the State-Local Transportation Partnership Program (3rd Cycle) foregoing reimbursement of indirect costs. (Department of Public Works) Finance
  - (b) File 146-91-1.2. [Grant - State Funds] Resolution authorizing the Department of Public Health, Community Public Health, Bureau of Health Promotion and Education, to expend \$118,738 of grant funds which excludes indirect costs from the State Department of Health Services to fund the contractor, Kopell & Associates and Maureen O'Rorke, Public Relations and Advertising, to implement a smoke-free environment outreach and media campaign for San Francisco residents; companion measures to Files 146-91-1, 146-91-1.1 and 146-91-8. (Department of Public Health)
  - (c) File 146-92-73. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau, to accept and expend retroactively a grant of \$502,010, which includes indirect costs in the amount of \$7,205, based on twenty percent of personnel costs, from the Centers for Disease Control for family planning and HIV research and development services for women; providing for ratification of action already taken. (Department of Public Health)

- (d) File 146-92-74. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Public Health Programs, Family Health Bureau, to accept and expend a grant of \$566,947, which includes indirect costs in the amount of \$7,068, based on twenty percent of personnel costs, from Centers for Disease Control, for family planning and HIV clinical and educational services for women; providing for ratification of action previously taken. (Department of Public Health)
- (e) File 146-92-75. [Grant – Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau, to apply for retroactively, accept and expend a grant of \$358,922, which includes indirect administrative costs in the amount of \$1,700, based on one percent of personnel costs, from California Family Planning Council, Inc., for family planning services; providing for ratification of action previously taken. (Department of Public Health)
- (f) File 147-92-5. [Grant – Federal Funds] Resolution authorizing the San Francisco Public Library to accept and expend \$34,530 in funds available from the United States Department of Education for a Project Read Outreach Program including and indirect cost of \$1,644. (Public Library)
- (g) File 147-92-6. [Grant – Federal Funds] Resolution authorizing the San Francisco Public Library to accept and expend \$29,033 in funds available from the United States Department of Education for a Project Read Outreach Program including and indirect cost of \$1,383. (Public Library)
- (h) File 140-92-1. [Grant – State Funds] Resolution approving the grant funding from the State of California Department of Industrial Relations in the amount of \$50,725 for a heat stress prevention program in the San Francisco Fire Department. (Fire Commission)
- (i) File 148-92-10. [Grant – State Funds] Resolution authorizing the Director of Public Works to apply for, accept and expend grant fundings in the amount of \$350,000 from the State of California, Resources Agency for providing additional environmental enhancement improvements and allowable indirect costs in The Embarcadero Surface Roadway Project. (Department of Public Works)
- (j) File 148-91-8.2. [Release of Funds] Requesting release of reserved funds, Department of Public Works, in the amount of \$325,375, for consultant services for planning and environmental work for the Embarcadero Freeway Replacement Project.(Funds placed on reserve as stated in Budget Analyst's report dated June 10, 1992, pages 17 through 20). (Also see File 148-91-8, 148-91-8.1 and 148-91-9.) (Department of Public Works)

ACTION:

## REGULAR CALENDAR

2. File 65-92-15. [Giants Candlestick Park Lease Amendment] Ordinance approving a lease amendment entered into by the Recreation and Park Commission and the San Francisco Giants, which reduces the City's revenue from the agreement by approximately \$725,000 per year (amount will vary with attendance) through the year 1997 and assigns the right to further revenues from the agreement to furnish scoreboard to the Giants during the term of the lease. The City further assumes the obligations for utilities and maintenance of the playing field at a cost of approximately \$250,000 per season. (Supervisor Alioto)

ACTION:

3. File 65-92-16. [Sony Scoreboard] Resolution approving an agreement between the Recreation and Park Commission and the San Francisco Giants granting all rights to revenues from video advertising on the Sony scoreboard at Candlestick Park during baseball season to the San Francisco Giants (potential revenues unknown). (Supervisor Alioto)

ACTION:

4. File 65-92-17. [Scoreboard] Resolution approving an amendment to the agreement to furnish scoreboard between the Recreation and Park Commission and the Sony Corporation, which enables the City to expand its use of non-video advertising at Candlestick. (Supervisor Alioto)

ACTION:

5. File 65-92-18. [Scoreboard Operating Agreement] Resolution approving an amendment to the Scoreboard Operating Agreement between the Recreation and Park Commission and the San Francisco Giants, whereby the City will assign its rights to an operating fee from Sony to the San Francisco Giants. In return, the Giants will assume the obligation and associated costs of operating the scoreboard year-round. (Supervisor Alioto)

ACTION:

6. File 65-92-19. [Parking Lot Agreement] Resolution approving an amendment to the Candlestick Park parking lot operating agreement between the Recreation and Park Commission and the San Francisco Giants, which designates the Giants as exclusive operators of the parking lot during baseball season and which reduces the City's revenues by approximately \$1,150,000 per year. (Supervisor Alioto)

ACTION:

7. File 118-92-9. [Lead] Ordinance amending Health Code by adding Article 26, Sections 1601 through 1631 to establish a comprehensive lead hazard reduction program. (Supervisors Shelley, Kennedy, Hallinan, Hsieh, Maher, Alioto, Gonzalez, Achtenberg)  
(Transferred from City Services Committee 11/17/92 – Fiscal Impact)

ACTION:

8. File 101-92-15. Hearing to consider appropriating \$93,097, Department of Public Health, for implementing the Medical Waste Generator Procedure Program. (Supervisor Alioto)

ACTION:

9. File 102-92-7. Hearing to consider amending the Annual Salary Ordinance, Department of Public Health, by adding two positions (Classification 6122 and 1446). (Supervisor Alioto)

ACTION:

10. File 161-92-5.1. [Redevelopment Agency Budget and Bonds] Resolution approving an amendment to the budget of the Redevelopment Agency for fiscal year 1992-93. (Supervisor Gonzalez)

ACTION:

11. File 197-92-5. Hearing to consider the final recommendations of the Cultural Affairs Task Force. (Supervisor Hallinan)  
(Cont'd from 10/28/92)

ACTION:

12. File 127-92-10. [Fictitious Business Name Filing Requirement] Ordinance amending Part III, Municipal Code, by adding Section 75.1 to require persons filing a statement of fictitious business name pursuant to California Business and Professions Code Section 17900 et seq. to provide proof of compliance, including payment of all appropriate license fees, with all applicable sections of Article 2 of Part III of the Municipal Code. (Supervisor Kennedy)

ACTION:

13. File 101-92-10.1. [Government Funding] Ordinance appropriating \$86,213,304, Public Library, for capital improvement project (main library and branches), 1988 Library Improvement Bond Program. (Supervisor Gonzalez)

ACTION:

14. File 101-92-10.2. [Government Funding] Ordinance appropriating \$3,200,241, Public Library-1988 Library Improvement Bond Program, for capital improvement project (Public Library Main and branches). RO #92106 (Controller)

ACTION:

15. File 38-92-27. [Acceptance of Gift] Resolution accepting a gift to the San Francisco Public Library in the amount of \$9,614,568 from the Library Foundation of San Francisco to fund building enhancements for new Main Library. (Public Library)

ACTION:

16. File 101-92-10. [Findings – Final Environmental Impact Report] Resolution incorporating by reference findings made by the San Francisco Library Commission and the Art Commission and adopting further findings pursuant to the California Environmental Quality Act relating to the appropriation of funds for the new Main Library Project, as analyzed in the San Francisco Main Library Final Environmental Impact Report, (FEIR) Case No. 90.808E; companion measure to Files 38-92-27, 101-92-10.1, and 101-92-10.2. (Department of Public Works)

ACTION:

17. File 28-92-12. [Emergency Repair] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace the damaged sidewalks, driveways, tree basins, side sewer vents and fencing in areas of heavy pedestrian traffic. (Department of Public Works)

ACTION:

18. File 97-92-63. [Cable Television Access Development and Programming Fund] Ordinance amending Administrative Code by amending Section 10.117-68, which establishes and governs the maintenance of the Cable Television Access Development and Programming Fund, by providing for the balance of all funds remaining in the fund at the close of each Fiscal Year to be carried forward and accumulated in said fund. (Clerk of the Board)

(Transferred from Administration and Oversight Committee 11/17/92 – Fiscal Impact)

ACTION:

19. File 172-92-18. [Agreement] Resolution authorizing the Fire Department to execute hold harmless agreements to be entered into between the City and County of San Francisco and Jet Skis Manufacturers. (Fire Department)

ACTION:



FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
ROOM 235, CITY HALL  
SAN FRANCISCO, CA 94102

**IMPORTANT  
HEARING NOTICE**

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CITY AND COUNTY



Public Library, Documents Dept.  
ATTN: Jane Hudson  
OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

December 7, 1992

**TO:** Finance Committee  
**FROM:** Budget Analyst  
**SUBJECT:** December 9, 1992 Finance Committee Meeting

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### Item 1a - File 148-92-9

**Department:** Department of Public Works (DPW)  
Bureau of Engineering

**Item:** Resolution authorizing the Director of Public Works to expend a State grant for roadway work on City streets in accordance with the State-Local Transportation Partnership Program (3rd Cycle) and foregoing reimbursement of indirect costs.

**Amount:** Up to \$1,044,335

**Source of Funds:** California Department of Transportation (Caltrans)

**Grant Period:** June 30, 1992 to June 30, 1995

**Description:** The Board of Supervisors previously authorized the DPW to apply for and accept funds granted under the State-Local Transportation Partnership Program on a continuing basis over the ten-year life of the program. Under this program, the proposed grant funds are made available for various local transportation street improvement projects under SB 300. The proposed grant funds would provide monies for the third year of the ten year program.

**Project Budget:**

<u>Project Limits</u>	<u>Type of Work</u>	<u>Grant Funds</u>	<u>Local Funds</u>	<u>Total Project Cost</u>
<b>Various Locations, Street Reconstruction (25th Street, Douglass Street, Felton Street)</b>	Reconstruction	\$326,039	\$1,185,508	\$1,511,547
<b>Various Locations, Pavement Renovation (8th Ave., 4th., 5th., 10th Ave., Noriega St., 12th Ave., 17th Ave., Clipper St.)</b>	Resurfacing	83,378	303,169	386,547
Sacramento Street	Resurfacing	233,523	849,104	1,082,627
Pacific Street	Resurfacing	58,216	211,677	269,893
Broadway Street	Resurfacing	35,375	128,625	164,000
<b>Various Intersections (a total of 22) - Traffic Signal Modi- fication</b>	Signal Rehabilitation	64,279	233,721	298,000
<b>Various Intersections (a total of 38) - Traffic Signal Modi- fication</b>	Signalization	111,301	404,699	516,000
<b>Various Intersections (a total of 120) - Traffic Signal Con- troller Upgrade</b>	Signalization	<u>132,224</u>	<u>480,776</u>	<u>613,000</u>
Totals		\$1,044,335	\$3,797,279	\$4,841,614

**Local Match:** \$3,797,279 from the Half-Cent Sales Tax revenues will augment grant funds for these projects.

**Indirect Costs:** None. The California Department of Transportation does not allow the use of grant funds for indirect costs.

**Comments:**

1. Mr. Joe Ovadia of the DPW's Bureau of Engineering reports that all of the above-listed projects would be handled through contractual services. However, Mr. Ovadia advises that only two contractors, one for the Traffic Signal Modification project (Signal Rehabilitation - total cost of \$298,000), and the other for the Traffic Signal Controller Upgrade project (Signalization - total cost of \$613,000), have thus far been selected.

2. Mr. Ovadia reports that the DPW through its Invitation for Bids process, has selected King C. Electric, Inc., a certified MBE firm, to provide the necessary work for the Traffic Signal Modification project (Signal Rehabilitation). As noted in the table above, the total amount of the King C. Electric contract is \$298,000, of which \$64,279 represents State Caltrans funds and \$233,721 represents local matching funds. The Purchaser, through its competitive bid process, has awarded two purchase orders to General Supply Company, a certified MBE firm, to provide the work required for the Traffic Signal Controller Upgrade project. The purchase orders total \$646,017, of which \$132,224 represents State Caltrans funds and \$513,793 represents local match. As noted in the table above, the contract for this project was originally projected to cost \$613,000 (\$132,224 in Caltrans funds plus \$480,776 in local match), or \$33,017 less than the actual contract amount of \$646,017. Mr. Ovadia advises that the \$33,017 shortfall will be paid for by Sales Tax monies.

3. Since the DPW has not, as yet, selected all of the necessary contractors, \$847,832 of the proposed Caltrans funds (\$1,044,335 less \$64,279 for the Traffic Signal Modification project, and \$132,224 for the Traffic Signal Controller Upgrade project) should be placed on reserve pending the selection of the contractors, the identification of the MBE/WBE status of the contractors and the contract budget details.

4. According to Mr. Ovadia, the DPW will issue additional requests for bids for the remaining projects by the Spring of 1993. The DPW anticipates contracting with an additional four contractors to perform the remaining projects.

5. Mr. Ovadia reports that thus far under the Transportation Partnership Program, the State's share of costs have not exceeded 30 percent of the total costs for the various transportation street improvement projects. This year, the State's share of costs represents approximately 21.5 percent of the total costs. According to Mr. Ovadia, the amount of the State's share is determined by the amount of State funds set aside annually for this purpose and the number of local jurisdictions that apply for these funds.

6. As noted above, the grant has a start-up date of June 30, 1992. However, Mr. Ovadia advises that no expenditures have been incurred against the proposed grant. Therefore, an amendment for retroactive authority is not necessary.

7. The DPW has completed a Disability Access Checklist which is included in the Board of Supervisors file.

8. A Summary of Grant Request Form, as prepared by the DPW, is attached.

**Recommendation:** Amend the proposed resolution to reserve funds totaling \$847,832, as identified in Comment No. 3 above, pending the selection of contractors, the identification of the MBE/WBE status of the contractors and the contract budget details. Approve the proposed resolution as amended.

## Item No. \_\_\_\_\_ - Summary of Grant Request

Rev. 4/10/90

Grantor State of California, Caltrans Division Bureau of Engineering - DPW  
 Contact Person Moe Shakernia Section Project Management  
 Address 111 Grand Avenue Contact Person Joe Ovadia  
Oakland, CA. 94623-0660 Telephone (415)554-8250  
 Amount Requested \$ 1,044,335 Application Deadline \_\_\_\_\_  
 Term: From 6-30-92 To 6-30-95 Notification Expected \_\_\_\_\_  
 Health Commission \_\_\_\_\_ Board of Supervisors Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) (new) (continuation) (allocation) (augmentation to a)  
 (Check appropriate words) grant in the amount of \$1,044,335 from the period of 6-30-92 to 6-30-95  
 to provide for rehabilitation of roadway projects. **SEWER**

## II. Summary: (Concise summary of project purpose, need, and justification)

This grant will partly fund construction for resurfacing and reconstruction  
 of 22 Alta Streets under the State-Local Transportation Partnership Program Cycle  
 No. 3. Also the grant will fund modification of traffic signals.

## III. Outcomes/Objectives:

Extends useful life of roadway by 10 years.

## IV. Effects of Reduction or Termination of These Funds:

The City will do less paving projects.

## V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Reg. Match	Approved by
	Two Years Ago	Per Year Orig.	Proposed	Change		
Grant Amount	2,874,199	1,641,493	1,044,335			
Personnel						
Equipment						
Contract Svc.	2,874,199	1,641,493	1,044,335			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

## VI. Data Processing

(over included above)

## VII. Personnel

F/T CSC					
P/T CSC					
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
 Sales Tax

Will grant funded employees be retained after this grant terminates? If so, How?

N/A. Grant money is used for contractual services

\*VIII. Contractual Services: Open Bid X Sole Source \_\_\_\_\_ (If sole source, attach Request for Proposals Form.)





Item 1b - File 146-91-1.2

**Department:** Department of Public Health (DPH),  
Community Public Health

**Item:** Resolution authorizing the Department of Public Health to expend \$118,738 of grant funds, which excludes indirect costs, from the State Department of Health Services to fund the contractors, Kopell & Associates and Maureen O'Rorke, Public Relations and Advertising.

**Grant Amount:** \$118,738

**Grant Period:** January 1, 1991 to December 31, 1992

**Source of Funds:** State Department of Health Services

**Description:** The Board of Supervisors previously approved legislation (File 146-91-1) authorizing the DPH to apply for, accept and expend Tobacco Tax monies in the amount of \$1,595,327. However, the Board of Supervisors reduced the expend authorization by \$212,070 from \$1,595,327 to \$1,383,257, pending identification of three professional services contractors. These grant funds were designated to fund Phase III of the Comprehensive Tobacco Control Plan. Under the Plan a total of \$652,517 was budgeted for Professional Services for eleven contracts. At the time DPH submitted its request for authorization to expend the grant funds, the Department had identified only eight of the eleven contractors for a total amount of \$440,447 or \$212,070 less than the total budgeted amount of \$652,517. The Board of Supervisors has previously authorized the expenditure of \$93,332 of the \$212,070 for one contract (File 146-91-1.1) leaving a balance of \$118,738 for two contracts.

The DPH is now requesting authorization to expend the remaining \$118,738. Ms. Alyonik Hrushow of the DPH, reports that the Department recently selected Kopell & Associates and Maureen O'Rorke, Public Relations and Advertising, to implement smoke-free environment outreach and media campaigns for San Francisco residents. Maureen O'Rorke is a certified WBE firm. Kopell & Associates is a certified MBE/WBE firm. The contracts with these two agencies are scheduled to commence as soon as contract certification is completed by the Department, and would have a term of one year. The two contract budgets totaling \$118,738, are detailed below:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Maureen O'Rorke, Public Relations and Advertising**

**Personnel**

Media Director (196 hrs. @ \$100/hr.)	\$19,600
Program Assistant (386 hrs. @ \$50/hr.)	<u>19,300</u>
Subtotal	\$38,900

**Operating Expenses**

Outreach Booth Design and Production	\$4,000
Newspaper Ad Placement	10,000
Newspaper Ad Design, Copy Production	5,000
Promotional Materials	7,000
Press Kits	2,000
Brochures (2,500), Postcards (2,500)	6,000
Bus Advertisements	3,800
Certificates, Awards	200
Miscellaneous Project Expense	<u>400</u>
Subtotal	\$38,400

**Administrative Overhead** **\$1,000**

Total \$78,300

**Kopell and Associates**

**Personnel:**

Project Manager (60 hrs. @ \$100/hr.)	\$6,000
Assist. Project Manager (56 hrs. @ \$100/hr.)	5,600
Program Assistant (27 hrs. @ \$50/hr.)	<u>1,350</u>
Subtotal	\$12,950

**Subcontracts**

Three Consultants (458 hrs.@ \$60/hr.)	<u>\$27,488</u>
Total	\$40,438

**Comments:**

1. As noted above, the grant had an original expiration date of December 31, 1992. However, Ms. Hrushow advises that the State, in order to allow the DPH sufficient time to expend the total grant funds available, has granted an extension of the grant period to June 30, 1994.

2. The DPH advises that City indirect costs are excluded from the proposed grant funds because monies for indirect costs for the City in the amount of \$97,103 were previously included in the original grant amount of \$1,595,327.

3. Attached is a "Summary of Grant Request", as prepared by DPH, for the original grant amount of \$1,595,327.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. The DPH has submitted Disability Access Checklists for Maureen O'Rorke, Public Relations and Advertising and Kopell & Associates, which are included in the Board of Supervisors file.

**Recommendation:** Approve the proposed resolution.

# Item No. \_\_\_\_\_ Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor California Department of Health Services

Contact Person Tobacco Control Section

Address Person Dileep G. Bal, M.D.

6007 Folsom Blvd., 2nd Fl.

Sacramento, CA 95819

Amount Requested \$ \_\_\_\_\_

Term: From 1/1/91 To 12/31/92

Health Commission \_\_\_\_\_

Division Community Public Health Svcs.

Section Bureau of health Promotion & Education

Contact Person Alyonik Hrushow

Telephone 554-2742

Application Deadline NA

Notification Expected NA

Board of Supervisors: Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

## I. Item Description:

(Circle appropriate words)

Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a grant in the amount of \$ \_\_\_\_\_ from the period of \_\_\_\_\_ to \_\_\_\_\_ to provide \_\_\_\_\_ services.

## II. Summary: (Concise summary, need addressed, number & group served, services and providers)

AUTHORIZING ADOPTION OF THE COMPREHENSIVE TOBACCO USE CONTROL PLAN AND BUDGET, FOR THE PERIOD OF JANUARY 1, 1991, TO DECEMBER 31, 1992. (REQUEST FOR AUTHORIZATION TO APPLY FOR, ACCEPT AND EXPEND GRANT FUNDS UNDER THIS PLAN AND BUDGET IS TO BE CONSIDERED ELSEWHERE ON THE HEALTH COMMISSION AGENDA OF DECEMBER 18, 1990.)

## III. Outcomes/Objectives:

## IV. Effects of Reduction or Termination of These Funds:

## V. Financial Information:

	Col. A	Phase I and II	Phase III	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Budgeted						
Grant Amount		\$1,603,952	\$1,878,048			
Personnel		641,790	907,471			
Equipment		1,635	3,250			
Contract Svc.		699,435	652,517			
Mat. & Supp.		63,749	67,375			
Facilities/Space						
Other		127,678	137,775			
Indirect Costs		69,665	109,660			

## VI. Data Processing

Less carryforward funds from the Phase I and II grant

(cost included above)

282,721.

## VII. Personnel

Funds available from this Grant Request

\$1,595,327

F/T CSC

P/T CSC

Contractual

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

## VIII. Contractual Services: Open Bid

Sole Source

(If sole source, attach Request for Example Form)

Item 1c - File 146-92-73

**Department:** Department of Public Health (DPH)  
Community Public Health Services  
Family Health Bureau

**Item:** Resolution authorizing the Department of Public Health, to accept and expend retroactively a grant of \$502,010, which includes indirect costs in the amount of \$7,205, from the Centers for Disease Control, and providing for ratification of action previously taken.

**Grant Amount:** \$502,010

**Grant Period:** September 30, 1992 to September 29, 1993

**Source of Funds:** Centers for Disease Control

**Project:** Family Planning and HIV Services for Women (Research and Support Services)

**Description:** The Board of Supervisors previously authorized the DPH to apply for these Federal grant funds (File 146-91-58). This is the second year of funding for a five-year grant program. The proposed grant funds would be used to continue a research demonstration model project aimed at HIV risk reduction and reproduction health promotion for high risk women (ages 18 to 25). The primary target area for the program includes the Western Addition and Mission/Visitation Valley area. The project will be implemented in four public housing projects, which have not, as yet, been selected. The project uses volunteer and peer group networks to provide outreach, information and workshops designed to promote and reinforce behaviors that will result in HIV risk reduction and a reduction in unintended pregnancies.

**Project Budget:** DPH Administration

<u>Personnel</u>	<u>FTE</u>		
Project Director	.50	\$25,204	
Principal Investigator	.10	<u>10,820</u>	
Subtotal Salaries	.60		\$36,024
Fringe Benefits			<u>9,726</u>
Subtotal - Personnel			\$45,750

BOARD OF SUPERVISORS  
BUDGET ANALYST



Memo to Finance Committee  
December 9, 1992

<u>Operating Expenses</u>		
Office Supplies	\$1,000	
Travel	<u>3,500</u>	
Subtotal - Operating Expenses		4,500

<u>Indirect Costs</u>		7,205
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Contract Services

UCSF	\$212,383	
Planned Parenthood	<u>232,172</u>	
Subtotal - Contract Services		444,555

Total Project Budget		\$502,010
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Contract Budgets: Planned Parenthood

<u>Personnel</u>	<u>FTE</u>		
Fiscal Coordinator	0.71	\$24,029	
HIV Coordinator	0.40	16,796	
Outreach Workers	3.00	63,000	
Outreach Coordinator	<u>1.00</u>	<u>27,500</u>	
Subtotal Salaries	5.11		\$131,325
Fringe Benefits			<u>23,638</u>
Subtotal - Personnel			\$154,963

Outreach and Intervention

Contraceptives	\$5,000	
Outreach Supplies and Childcare	6,500	
Conference/Training	5,000	
Local Travel	6,000	
Educational Materials	7,500	
Postage/Delivery	100	
Survey Incentives (350 @ \$15.00)	<u>5,250</u>	
Subtotal - Outreach and Intervention		35,350

<u>Consultants</u>		13,313
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<u>Indirect Costs</u>		<u>28,546</u>
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Total		\$232,172
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**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**UCSF**

<u>Personnel</u>	<u>FTE</u>	
Co-Principal Investigator	0.25	\$11,839
Co-Investigator	0.05	7,837
Director, Research/Evaluation	0.50	22,620
Fiscal Analyst	0.10	4,680
Sr. Public Admin. Analyst	0.10	4,200
Secretary	1.00	22,836
Respite Project Assistant	1.00	25,215
Data Entry Clerk	<u>.49</u>	<u>5,589</u>
Subtotal Salaries	3.49	\$104,816
Fringe Benefits		<u>19,390</u>
Subtotal - Personnel		<u>\$124,206</u>

**Operating Expenses**

Telephone	2,400
Office Supplies	1,926
Postage	1,000
Copying	1,500
Questionnaire Form	3,000
Incentive Payments	2,000
Computer Mainframe Time	1,000
Rent	21,600
Travel	<u>5,000</u>
Subtotal - Operating Expenses	\$39,426

**Consultants** 1,000

**Indirect Cost** 47,751

**Total** \$212,383

**Required Match:** None

**Indirect Costs:** \$7,205 (20 percent of DPH Salaries)

**Comments:**

1. Mr. Steve Purser of the DPH reports that since the Federal grantor has committed to funding this grant program for five year period, DPH was only required to submit an application for the first year of funding.
2. The DPH advises that expenditures have been incurred against the proposed grant funds, As such, the proposed legislation provides for ratification of action previously taken.
3. Attached is a copy of the Summary of Grant Request, as prepared by the DPH, for this proposed grant.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 9, 1992

4. Disability Access Checklists have been prepared for both the Planned Parenthood program site and UCSF program site and are included in the Board of Supervisors file.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

1. No. 2421 Health Commission - Summary of Grant Request Rev. 4/10/90  
 2. Center for Disease Control  
 3. Director Christine Galavotti Division CPHS  
 4. Contact Person 255 East Paces Ferry Rd. Mail Stop E14 Section Family Health  
 5. Address Atlanta, GA 30305 Contact Person Stephen Purser  
 6. Amount Requested \$ 502,010 Telephone 415-554-2563  
 7. From Sept. 30, 1992 to Sept. 29, 1993 Application Deadline September 25, 1992  
 8. Health Commission 2 Board of Supervisors: Finance Committee Full Board  
 9. Item Description: Request to ~~(accept)~~ (accept and expend) a ~~(new)~~ (continuation) ~~(federal grant)~~ grant in the amount of \$ 502,010 from the period of 9-30-92 to 9-29-93 to provide services.  
 10. (Such appropriate words)

11. Summary: (Concise summary of the project, including a brief description of the project, its purpose, and its expected results.) **PART A**  
 This is an application for the second year of funding in a full year research demonstration and intervention project designed to provide community-level behavioral research and interventions to prevent HIV infection in women and infants. Behavioral research focuses on primary HIV prevention in women by identifying and describing structural environmental and psychosocial factors thought to promote risk reduction in four public housing projects.  
 12. Outcomes/Objectives: Provision of interventions in housing projects at high risk for HIV and Perinatal HIV via unplanned pregnancies will be targeted using a quasi-experimental design to compare two different conditions. Cognitive, behavioral, clinical, structural, and environmental changes will be measured and compared between control/comparison groups.  
 13. Effects of Reduction or Termination of These Funds:  
 Provision of interventional research and support services for women at high risk for HIV transmission through community level behavioral research will not be possible. Valuable research data on a population that is extremely hard to reach will be lost.

14. Financial Information:

	Col. A Two Year Ago	Col. B Prior Year/Orig.	Col. C Proposed	Col. D Change	Rec. Match	Approved by
Grant Amount		770,248	502,010	(268,238)		
Personnel		68,357	45,750	( 22,607)		
Equipment						
Contract Svc.		685,326	444,555	(240,771)		
Mt. & Supp.		1,000	1,000	0		
Facilities/Space						
Other		4,800	3,500	(1,300)		
Indirect Costs		10,765	7,205	(3,560)		

15. Data Processing  
 (See enclosed copies)

16. Personnel

	FTE CSC	P/T CSC	Contractual
	0	1.2	9.3
	0	.60	9.22
	0	(.60)	(.08)

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

17. Contractual Services: Open Bid X Sole Source X (Check one, and attach to Summary Form)



Item 1d - File 146-92-74

**Department:** Department of Public Health (DPH)  
Community Public Health Services  
Family Health Bureau

**Item:** Resolution authorizing the Department of Public Health, to accept and expend a grant of \$566,947, which includes indirect costs in the amount of \$7,068, from the Centers for Disease Control, and providing for ratification of action previously taken.

**Grant Amount:** \$566,947

**Grant Period:** September 30, 1992 to September 29, 1993

**Source of Funds:** Centers for Disease Control

**Project:** Family Planning and HIV Services for Women (Clinical and Educational Services)

**Description:** The Board of Supervisors previously authorized the DPH to apply for these Federal grant funds (File 146-91-59). This is the second year of funding for a five-year grant program. The proposed grant funds would be used to continue to provide comprehensive family planning and clinical services, including HIV/Sexually Transmitted Disease (STD) education and prevention to 1100 women at high risk for STD's and unplanned pregnancies. Services would be provided to clients at six month intervals at Bayview Hunters Point Foundation, Dolores Street Community Church, Haight Ashbury Free Clinic and Glide Memorial Church. The project would evaluate the success of service interventions by measuring such outcomes as the clients' utilization of family planning services, reproductive health services, STD/HIV and drug treatment services, and decreases in unintended pregnancies and STD rates.

**Project Budget:** **DPH Administration**

<u>Personnel</u>	<u>FTE</u>		
Project Director	.50	\$25,204	
Project Investigator	.09	9,738	
Family Planning Coordinator	.01	397	
Subtotal Salaries	.60		\$35,339
Fringe Benefits			<u>9,542</u>
Subtotal - Personnel			\$44,881

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 9, 1992

Operating Expenses

Travel (to CDC/Atlanta or as otherwise designated by CDC - flights, hotels, meals, & registration @ \$1,000 x 2 people x 3 trips/yr.)	\$6,000	
Materials and Supplies	2,400	
Laboratory Tests	4,000	
Photocopying	<u>1,100</u>	
Subtotal - Operating Expenses		13,500

<u>Indirect Costs</u>		7,068
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Contract Services

UCSF Contract	\$113,979	
Planned Parenthood Contract	<u>387,519</u>	
Subtotal		501,498
Total Project Budget		\$566,947

Contract Budgets: Planned Parenthood

<u>Personnel</u>	<u>FTE</u>		
Fiscal Coordinator	0.71	\$24,029	
Finance Director	0.05	2,625	
Personnel Manager	0.01	414	
Payroll Clerk	0.01	232	
Outreach Workers	5.00	105,000	
Outreach Coordinator	1.00	27,500	
Clerical	<u>0.10</u>	<u>1,756</u>	
Subtotal Salaries	6.88		\$161,556
Fringe Benefits			<u>29,080</u>
Subtotal - Personnel			\$190,636

Clinic Costs

Initial Visits (600 @ \$180)	\$108,000	
Follow-up Visits (300 @ \$109)	<u>32,700</u>	
Subtotal		140,700

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



<u>Outreach</u>		
Contraceptives	\$5,000	
Outreach Supplies	3,000	
Local Travel	5,000	
Educational Materials	2,000	
Postage/Delivery	100	
Survey Incentives:		
Recruitment (350 @ \$5.00)	1,750	
Initial (350 @ \$10.00)	3,500	
Follow-up (210 @ \$15.00)	<u>3,150</u>	
Subtotal - Outreach		23,500
<u>Indirect Costs</u>		<u>32,683</u>
Total		\$387,519

UCSF

<u>Personnel</u>	<u>FTE</u>	
Co-Principal Investigator	0.10	\$15,674
Research Director	0.50	20,800
Administrative Asst. II	0.25	6,477
Data Entry Clerk	<u>1.00</u>	<u>22,812</u>
Subtotal Salaries	1.85	\$65,763
Fringe Benefits		<u>13,594</u>
Subtotal - Personnel		<u>\$79,357</u>

Administrative Costs

Telephone	\$1,000	
Computer Mainframe Time	1,000	
Forms	<u>1,143</u>	
Subtotal - Administrative Costs		3,143

Operating Costs

Rent	\$10,000	
Travel (CDC - Atlanta)	<u>1,500</u>	
Subtotal - Operation Costs		11,500

<u>Indirect Costs</u>	<u>19,979</u>
Total	\$113,979

Required Match: None

Indirect Costs: \$7,068 (20 percent of DPH Salaries)

BOARD OF SUPERVISORS  
BUDGET ANALYST

**Comments:**

1. Mr. Steve Purser of the DPH reports that since the Federal grantor has committed to funding this grant program for a five year period, DPH was only required to submit an application for the first year of funding.
2. The DPH advises that expenditures have been incurred against the proposed grant funds. As such, the proposed legislation provides for ratification of action previously taken.
3. Attached is a copy of the Summary of Grant Request, as prepared by the DPH, for this proposed grant.
4. Disability Access Checklists have been prepared for both the Planned Parenthood program site and the UCSF program site and are included in the Board of Supervisors file.

**Recommendation:** Approve the proposed resolution

Senior Centers for Disease Control  
 Contact Person Christine Galavotti  
 Address 255 East Paces Ferry Rd. Mail Stop E14  
Atlanta, Georgia 30305  
 Amount Requested \$ 566,947  
 From: 09/30/92 To 09/29/93  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

Item Description: Request to ~~(apply for)~~ (accept and expend) a ~~(new)~~ (continuation) ~~(renewal)~~ grant in the amount of \$ 566,947 from the period of 09/30/92 to 09/29/93 to provide Family planning and HIV services.

Summary: (Concise summary, brief address, number of groups served, services and providers) PART B  
 This is the second year of funding for a clinical demonstration project designed to provide clinical and educational services for high risk women in non-traditional settings. Hypotheses and strategies for preventing HIV infection among women and infants are tested in high risk neighborhoods.

I. Outcomes/Objectives: A street outreach team will continue to recruit high risk women into non-traditional family planning clinics providing health services. Services will be provided every six months and the success of the interventions will be measured using such outcomes as utilization of family planning, reproductive health, STD/HIV and drug treatment services, decreases in unintended pregnancies and STD rates.

Effects of Reduction or Termination of These Funds:  
 Provision of medical, counseling, and education services for women at high risk for HIV transmission through community-based clinic sites will not be possible. A valuable opportunity to provide clinical care to women who are extremely hard to reach and serve will be lost.

Financial Information:

	Col. A Two Years Ago	Col. B Per Year/Org.	Col. C Proposed	Col. D Change	Rec. Match	Approved by
Grant Amount		321,178	(566,947)	+245,769		
Personnel		46,300	( 44,881)	- 1,419		
Equipment						
Contract Svc.		250,787	(501,498)	+250,711		
Mat. & Supp.		12,000	( 7,500)	- 4,500		
Facilities/Space						
Travel (travel)		4,800	( 6,000)	+ 1,200		
Indirect Costs		7,291	( 7,068)	- 223		

II. Data Processing  
 (See attached sheet)

III. Personnel

FT CSC		0	0	0
FT CSC		.7	.59	- .11
Contractual		2.0	8.73	+ 6.73

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, how?  
 NO

VIII. Confidential Services: Open Bid \_\_\_\_\_ Sole Source X (Check one, and attach to Summary Form)



Item 1e - File 146-92-75

**Department:** Department of Public Health (DPH)  
Community Public Health Services  
Family Health Bureau

**Item:** Resolution authorizing the Department of Public Health, to apply for, retroactively, accept and expend a grant of \$358,922, which includes administrative costs in the amount of \$1,700, from California Family Planning Council, Inc., and providing for ratification of action previously taken.

**Grant Amount:** \$358,922

**Grant Period:** January 1, 1993 to December 31, 1993

**Source of Funds:** California Family Planning Council, Inc.

**Project:** Family Planning and Pregnancy Testing Services

**Description:** The proposed grant would continue to provide funding for family planning services to low income, ethnically diverse women, ages 15-44, in San Francisco. This funding has been provided since 1971, under Title X of the Public Health Services Act. The California Family Planning Council, Inc., located in Los Angeles, has administered Federal family planning funds throughout California since 1983. The proposed grant funds represent approximately 30 percent of family planning funds in San Francisco which, together with funds provided by the State Office of Family Planning (45%) and the City's General Fund (25%), provides for approximately 13,100 patient visits annually at 17 facilities. These facilities include the district health centers, UCSF, the Special Programs for Youth (SPY) network of youth centers, women's shelters, and other sites. Services include medical examinations, pregnancy testing, contraceptive counseling, contraceptive supplies, and other reproductive health services.

**No. of Persons to be Served:** Approximately 13,100 patient visits in 1993

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 9, 1992

<b>Project Budget:</b>	<b><u>Personnel</u></b>	<b><u>FTE</u></b>	<b><u>Amount</u></b>	
	2593 Health Program Coordinator III	0.8	\$42,078	
	2591 Health Program Coordinator II	1.0	39,520	
	2328 Nurse Practitioner	0.8	43,347	
	2587 Health Worker III	<u>0.5</u>	14,079	
	Fringe Benefits		<u>30,976</u>	
	Subtotal	3.1		\$170,000
	<b><u>Operating Expenses</u></b>			
	Materials and Supplies		\$20,222	
	Laboratory Equipment		2,000	
	Travel		<u>2,000</u>	
	Subtotal			24,222
	<b><u>Contractual Services</u></b>			
	UCSF Mandated Contract*		\$125,000	
	Pharmacy and Cytology Services		<u>38,000</u>	
	Subtotal			163,000
	<b><u>Administrative Costs</u></b>			<u>1,700</u>
	<b>Total Proposed Grant</b>			<b>\$358,922</b>

\* The DPH reports that the Federal grantor mandates that UCSF provide the hospital based services for this program.

**Required Match:** None

**Indirect Costs:** It is the policy of the funding agency not to pay indirect costs, but the agency will award one percent of personnel costs to defray administrative expenses.

**Comments:**

1. The DPH reports that the application for the proposed grant, which was due on December 1, 1992, has already been submitted by the Department. Therefore, the proposed legislation provides for ratification of action previously taken.
2. The proposed grant amount of \$358,922 is the same as the amount awarded in 1992.
3. Attached is the Summary of Grant Request, as prepared by the DPH, for the proposed grant.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
December 9, 1992

4. Disability Access Checklists for the 17 facilities where services will be provided are included in the Board of Supervisors file.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 1f - File 147-92-5

**Department:** Public Library

**Item:** Resolution authorizing the San Francisco Public Library to accept and expend funds available from the United States Department of Education for a Project Read Outreach Program, including indirect costs of \$1,644.

**Grant Amount:** \$34,530

**Grant Period:** October 1, 1992 through September 30, 1993

**Source of Funds:** U.S. Department of Education, Library Services and Construction Act (LSCA), Title IV

**Project:** Project Read Student Support Services

**Description:** The proposed grant funds would be used for student support services for Project Read. Project Read is the adult literacy program of the San Francisco Public Library. The Project Read program offers English-speaking adults, who lack basic reading and writing skills, free confidential tutoring by trained volunteers.

The student support services, which would be funded with the proposed grant funds, would include strengthening learner involvement in the Program, through creating a structure and opportunity for adult learners to increase their education and contribute to the Program and to each other. Proposed projects include an Adult Learner Council, Writing Workshops, Quarterly Workshops and an Adult Learner Event.

**Budget:** All of the proposed grant funds used for Project Read Student Support Services would be provided under a contractual agreement to the Friends of the San Francisco Library. The Friends of the San Francisco Library would use the grant funds as follows:

Personnel

Student Support Services	
Coordinator (0.75 FTE)	\$21,216
Fringe Benefits (@14 percent)	<u>2,970</u>
Personnel Total	\$24,186

<u>Supplies</u> (includes notebooks, printing and postage)	1,500
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<u>Other</u> (includes Writing Instructor's Fee, Guest Speaker Fee and Instructional Workshop)	<u>7,200</u>
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**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Total Direct Charges	\$32,886
Indirect Costs (approximately five percent of the total direct charges)	<u>1,644</u>
Total	\$34,530

**Required Match:** None.

**Indirect Costs:** \$1,644 or approximately 5 percent of total direct charges of \$32,886.

**Comments:** 1. As noted above, the proposed grant period began on October 1, 1992. According to Ms. Ana Linder of the Public Library, because of administrative delays, the proposed grant funds have already been accepted and expended by the Public Library. Therefore, the proposed resolution should be amended to authorize the Public Library to accept and expend the proposed grant funds retroactively.

2. According to Ms. Linder, contractual services would be provided under a sole-source contract to the Friends of the San Francisco Public Library. Ms. Linder reports that the Friends of the Library started Project Read in 1983, and thus is very knowledgeable about the program. In addition, Friends of the Library would provide administrative support services free of charge.

3. Friends of the Library is a non-profit organization, and therefore is not subject to the Human Rights Commission's MBE/WBE and LBE requirements.

4. Attached is the Summary of Grant Request form completed by the Public Library.

5. The Disability Access Checklist is in the file.

**Recommendations:** 1. Amend the proposed resolution to authorize the Public Library to accept and expend the proposed grant funds retroactively.

2. Approve the proposed grant funds as amended.

# Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Public Library/ Project Read

Contact Person: Ana Linder Telephone: 557-4388

Project Title: Student Support Services

Grant Source: Dept. of Education LSCA title VI

## Proposed (New / Continuation) Grant Project Summary:

Project Read is the adult literacy program of the San Francisco Public Library. It offers English-speaking adults, who lack basic reading and writing skills, free confidential tutoring by trained volunteers. Project Read seeks funds to enhance program effectiveness.

One need that has evolved as Project Read has grown and matured is the need for stronger learner involvement in our program, and more opportunities for adult learners to meet and learn from one another. Many adult learners who come to Project Read for help feel that they, alone, have problems reading and writing. The shame they feel often keeps them isolated. We propose to create structure and opportunity for adult learners to increase their education and contribute to the program and to each other. Proposed designs include: an Adult Learner Council, Writing Workshops, Quarterly Workshops and an Adult Learner Event.

Amount of Grant Funding Applied for: \$ 34,530

Maximum Funding Amount Available: \$ 35,000

Required Matching Funds: -0-

Number of Positions Created and Funded: 3/4

*INDIRECT COST 5%*  
Amount to be Spent on Contractual Services: \$ 32,886 } #34,530

Will Contractual Services be put out to Bid? NO

Friends of the San Francisco Public Library have been contracted and have managed Project Read grants for years free of administrative charges.

Term of Grant: October 1, 1992 - September 30, 1993

Date Department Notified of Available funds: September 6, 1992

Application Due Date: December 13, 1991

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

See Attached

Keneth E. Dore

Department Head Approval



Item 1g - File 147-92-6

**Department:** Public Library

**Item:** Resolution authorizing the San Francisco Public Library to accept and expend funds available from the United States Department of Education for a Project Read Outreach Program, including indirect costs of \$1,383.

**Grant Amount:** \$29,033

**Grant Period:** October 1, 1992 through September 30, 1993

**Source of Funds:** U.S. Department of Education, Library Services and Construction Act (LSCA), Title VI

**Project:** Project Read Outreach Services

**Description:** The proposed grant funds would be used for outreach services for Project Read. Project Read is the adult literacy program of the San Francisco Public Library. The Project Read program offers English-speaking adults, who lack basic reading and writing skills, free confidential tutoring by trained volunteers.

The proposed grant funds would be used to develop an outreach program for student and minority volunteers who act as tutors. Specifically, the outreach plan would involve community agencies, businesses, churches, professional organizations, tutors and students, in order to meet the goal of increasing the number of African-American and Latino volunteers in the Project Read program.

**Budget:** All of the proposed grant funds used for Project Read student Support Services would be provided under a contractual agreement to the Friends of the San Francisco Library. The Friends of the San Francisco Library would use the grant funds as follows:

Personnel

Volunteer Manager (0.75 FTE)	\$21,000
Fringe Benefits (@15 percent)	<u>3,150</u>
Personnel Total	\$24,150

<u>Supplies</u> (includes tutor recognition plaques, printing and postage)	1,000
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<u>Other</u> (includes Continuing Education Sessions and Learning Assessment Consultations)	<u>2,500</u>
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**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Total Direct Charges	\$27,650
Indirect Cost (approximately five percent of the total direct charges)	<u>1,383</u>
Total	\$29,033

**Required Match:** None.

**Indirect Costs:** \$1,383 or approximately 5 percent of total direct charges of \$27,650.

- Comments:**
1. As noted above, the proposed grant period began on October 1, 1992. According to Ms. Ana Linder of the Public Library, because of administrative delays, the proposed grant funds have already been accepted and expended. Therefore, the proposed resolution should be amended to authorize the Public Library to accept and expend the proposed grant funds retroactively.
  2. According to Ms. Linder, contractual services would be provided under a sole-source contract to the Friends of the San Francisco Public Library. Ms. Linder reports that the Friends of the Library started project Read in 1983, and thus is very knowledgeable about the program. In addition, Friends of the Library would provide administrative support services free of charge.
  3. Friends of the Library is a non-profit organization, and therefore is not subject to the Human Rights Commission's MBE/WBE and LBE requirements.
  4. Attached is the Summary of Grant Request form completed by the Public Library.
  5. The Disability Access Checklist is in the file.

- Recommendations:**
1. Amend the proposed resolution to authorize the Public Library to accept and expend the proposed grant funds retroactively.
  2. Approve the proposed grant funds as amended.

# Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Public Library/ Project Read

Contact Person: Ana Linder Telephone: 557-4388

Project Title: Outreach Project

Grant Source: Dept. of Education, LSCA title VI

## Proposed (New / Continuation) Grant Project Summary:

Project Read is the adult literacy program of the San Francisco Public Library. It offers English-speaking adults, who lack basic reading and writing skills, free confidential tutoring by trained volunteers. Project Read seeks funds to implement a student and minority tutor outreach project.

A number of barriers must be overcome for a person to come to Project Read. Getting the word out to potential students is a challenge because adults who lack reading skills often lack access to information. A well-developed outreach plan can do much to pave the way to literacy for an increasing number of adults. To reach potential minority volunteers, a personal, culturally appropriate approach is necessary. Project Read proposes to implement an outreach plan that involves, community agencies, businesses, churches, professional organizations, tutors and students to invite more adult learners and more African-American and Latino volunteers to join our program.

Amount of Grant Funding Applied for: \$ 29,033

Maximum Funding Amount Available: \$ 35,000

Required Matching Funds: -0-

Number of Positions Created and Funded: 3/4 NOV 05 199

INDIRECT COST (5% OF \$27,650.00 per Ana 11/4/92) = 1,383  
Amount to be Spent on Contractual Services: \$ 27,650 \$29,033

Will Contractual Services be put out to Bid? NO

Friends of the San Francisco Public Library have been contracted and have managed Project Read grants for years free of administrative charges.

Term of Grant: October 1, 1992 - September 30, 1993

Date Department Notified of Available funds: September 6, 1992

Application Due Date: December 13, 1991

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

See Attached

Kenneth E. Dine  
Department Head Approval

Item 1h - File 140-92-1

**Department:** Fire Department

**Item:** Resolution authorizing the Fire Department to accept and expend a State grant for a Heat Stress Prevention Program, including \$2,540 for indirect costs

**Amount:** \$50,725

**Source of Funds:** California Department of Industrial Relations

**Grant Period:** One year from approval of the proposed grant

**Grant Program:** Heat Stress Prevention Program

**Description:** The proposed grant funded Heat Stress Prevention Program would be a new training program to educate firefighters regarding activities which lead to dehydration and methods to prevent this condition from occurring. According to the Fire Department, heat stroke and heat exhaustion accounted for 1.2 percent of the illness reported to the International Association of Firefighters 1990 Death and Injury Survey. However, Dr. Deborah J. Owen, Fire Surgeon for the Fire Department, indicates that many injuries incurred by Firefighters may be the result of dizziness that results from heat stress.

For the first phase of the program the Fire Department will conduct tests at two Fire Stations for symptoms related to heat stress. The results of the medical tests will be used in educating 50 Firefighters regarding the causes and symptoms of heat stress and ways of preventing heat stress. The 50 Firefighters will then train all other Firefighters in the department. A video will be produced as a training aide.

The program training will emphasize drinking fluids at fire scenes to prevent the dehydration that leads to heat stress. In order to encourage the drinking of fluids at fire scenes, the program will purchase 65 drinking water dispensers that will be mounted on fire engines and ladder trucks.



Memo to Finance Committee  
December 9, 1992

<b>Grant Budget:</b>	<u>Personnel Costs</u>	
	Project Facilitator	\$2,500
	Performance and Eval. Coordinator	1,000
	Research Assistant	1,200
	Video Production Facilitator	2,500
	Bookkeeper-Accountant	1,000
	Secretary-Typist	<u>500</u>
	Subtotal-Personnel Costs	\$8,700
	<u>Support Services</u>	
	Video Production and Development	\$2,460
	Video Training and Distribution	1,000
	Learning Program	2,000
	Medical Testing	1,000
	Maintenance of Program	<u>500</u>
	Subtotal-Support Services	6,960
	<u>Operating Costs</u>	
	Supplies	\$500
	Travel and Meals	715
	Training Materials:	
	40-Video Tapes	400
	Medical Test Materials	3,400
	Posters/Bulletins	1,000
	Printing	680
	Postage	580
	Medical Testing Materials	150
	Water Dispenser Materials	<u>2,000</u>
	Subtotal-Operating Costs	9,425
	<u>Equipment</u>	
	65 Water Dispensers	\$2,600
	Video Production Equipment Rental	<u>3,000</u>
	Subtotal-Equipment	5,600
	<u>Contractual Services</u>	
	Health Educator	\$4,000
	Curriculum Development Consultant	500
	Video Production Company	<u>13,000</u>
	Subtotal-Contractual Services	17,500
	<u>Indirect Costs</u>	<u>2,540</u>
	<u>Total Proposed Grant</u>	\$50,725
<b>Local Match:</b>	None required	
<b>Indirect Costs:</b>	\$2,540 (five percent of the grant)	

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Comments:**

1. The Fire Department applied for the proposed grant on May 1, 1992. Therefore, the proposed resolution should be amended to ratify action previously taken.
2. As of the writing of this report, the Fire Department has not submitted a Disability Check List or a Summary of Grant Request. Therefore, the proposed resolution should be continued for one week to allow the department time to submit these required forms.

**Recommendations:**

1. Amend the proposed resolution to ratify action previously taken in applying for the proposed grant.
2. Continue the amended resolution one week to allow the department time to complete and submit the Disability Check List and a Summary of Grant Request forms.



Item 1i - File 148-92-10

**Department:** Department of Public Works (DPW)

**Item:** Resolution authorizing the Department of Public Works to apply for, accept and expend, a grant from the State of California, Resources Agency for providing additional environmental enhancement improvements and allowable indirect costs in the Embarcadero Surface Roadway Project.

**Grant Amount:** \$350,000

**Grant Period:** If approved, funds will be available for expenditure during a two year period beginning with the date of approval.

**Source of Funds:** State of California Resources Agency - Environmental Enhancement and Mitigation Program (AB 471)

**Project:** Waterfront Roadway Tree Enhancement Project

**Description:** The Waterfront Roadway Tree Enhancement Project is a component of the Waterfront Transportation Projects including the Embarcadero Surface Roadway Project, the F-Embarcadero Historic Streetcar Line and the MUNI Metro Extension.

The proposed project will plant 745 sycamore and canary island palm trees in the median and along the sidewalks of the Embarcadero Roadway of the North, South and King Segments of the Waterfront Transportation Projects (see attached map). The trees will help to mitigate carbon dioxide buildup that will be associated with the reconstructed roadway and extension of the MUNI Metro light rail system. The Waterfront Projects will open up the Embarcadero to pedestrians and bicyclists and the trees will be a major contributor to this enhanced public access.

The Embarcadero Roadway Project is included in the adopted State Transportation Improvement Program (STIP) and in the locally certified capital outlay program of the San Francisco County Transportation Authority. The total roadway development and construction budget is \$93.7 million, excluding the budgets for MUNI Metro Extension and the F-Embarcadero Historic Streetcar Line.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The proposed Tree Enhancement Project will also utilize funds provided from the I-280 Interstate Transfer, the local 1/2 cent Transportation Sales Tax and a Tree Dedication program totaling \$1,964,050 as follows:

<u>Funding Sources</u>	<u>Amount</u>
<b>State Environmental Enhancement &amp; Mitigation Grant (subject of this legislation)</b>	<b>\$ 350,000</b>
I-280 Interstate Transfer	1,286,942
1/2 cent Transportation Sales Tax	227,108
Tree Dedication Program	<u>100,000</u>
<b>Total</b>	<b>\$ 1,964,050</b>

**Project Budget:**

<u>Item Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Sycamore Trees, 36-inch box	627	\$800	\$ 501,600
Sycamore Trees, 24-inch box	3	300	900
Canary Island Palm Trees	115	6,000	690,000
Tree Grates	384	750	288,000
Imported Planting Soil	lump sum	-	236,000
180-day landscaping maintenance	lump sum	-	<u>69,000</u>
Subtotal			\$1,785,500
Administrative & Contingency Costs at 10 percent			<u>178,550</u>
<b>Total</b>			<b>\$1,964,050</b>

**Required Match:** None required for State funds.

**Indirect Costs:** The total project budget of \$1,964,050 includes indirect costs of \$89,275

**Comments:** 1. The Environmental Enhancement and Mitigation Program (EEMP) is a \$100 million State of California Grant Program authorized by AB 471 which is distributing \$10 million annually over ten years in individual grants up to \$500,000 for local highway landscaping and urban forestry projects.

2. Mr. James Cheng, DPW Project Manager for the Embarcadero Roadway Project, advises that the Roadway Plan initially did not specify the types of trees to be planted. On January 22, 1992, after several public hearings, the Port Commission approved a resolution which determined that the median trees will be Canary Island Palm Trees and the landside and sidewalk trees will be Sycamore trees. The distribution of trees for the total project cost of \$1,964,050 is as follows:

<u>Waterfront Location</u>	<u>Palms</u>	<u>Sycamores</u>	<u>Total Trees</u>
North Embarcadero	50	120	170
South Embarcadero	65	190	255
King Street Segment	<u>-</u>	<u>320</u>	<u>320</u>
Total Trees	115	630	745

3. Mr. Leonard Tom of DPW reports that two other sources of funds, the I-280 Interstate Transfer totaling \$1,286,942 and 1/2 cent Transportation Sales Tax totaling \$227,108, have already been authorized and committed to the Waterfront Roadway Tree Enhancement Project.

4. The fourth source of funding for the subject project is a Tree Dedication Program totaling \$100,000 (assuming 25 dedicated trees @ \$4,000 per dedication). This program is being established to allow private individuals or businesses to contribute to the cost of planting trees on the Embarcadero. Acknowledgment of each contribution will be made at appropriate locations in the roadway. A target of \$100,000 has been set for contributions from this program. Contributions received will be used to offset Transportation Sales Tax Funds which would be the alternative source of funds if the Tree Dedication Program were not successful.

5. Mr. Tom indicates that, if the \$350,000 grant application is not approved by the State of California Resources Agency, DPW would transfer additional funds from the 1/2 cent Transportation Sales Tax for this project.

6. In January 1992, DPW applied to the State of California Resources Agency for \$500,000 under the subject program to assist with the Waterfront Roadway Tree Enhancement Project (File 148-92-1) as part of the State's 1991-92 funding cycle, but was not awarded any funds. (The San Francisco Friends of the Urban Forest was the only local applicant that received \$176,000 for a "Neighborhood Mitigation Project" from this State funding cycle.)

7. Maintenance and care of the proposed trees to be planted as part of the Waterfront Roadway Tree Enhancement Project will be provided by DPW as part of its overall maintenance activities for the entire waterfront. Annual maintenance costs are estimated to be \$30,000. According to Mr. Tom, funding for such maintenance will be provided by revenues from the 1/2 cent Transportation Sales Tax. These maintenance costs are included in a twenty-year budget projection for the use of local transportation sales tax revenues by DPW.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 9, 1992

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



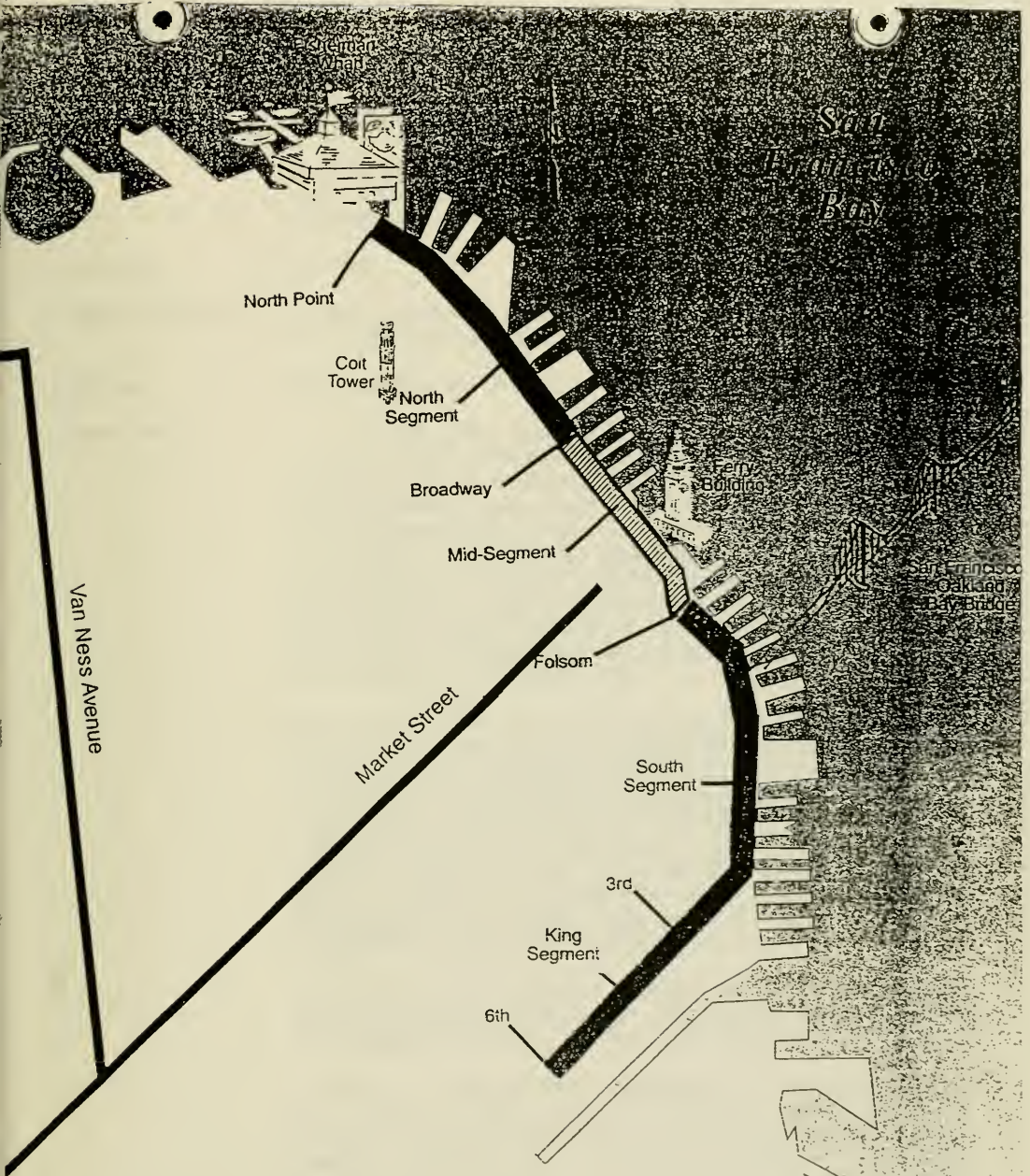


FIGURE 1  
WATERFRONT TREE ENHANCEMENT  
PROJECT MAP



Item 1j - File 148-91-8.2

**Department:** Department of Public Works (DPW)

**Item:** Release of reserved funds for consultant services for planning and environmental work for the Embarcadero Freeway Replacement Project.

**Amount:** \$325,375

**Source of Funds:** Federal Highway Administration Emergency Relief Funds and State Highway Funds

**Project:** Embarcadero Replacement Project

**Description:** On June 12, 1991, the Board of Supervisors authorized the Director of Public Works to apply for \$58.5 million in Federal Highway Administration Emergency Relief Funds for the planning, design and construction of a subsurface alternative to the Embarcadero Freeway, and to accept and expend \$4,593,600 of said funds for planning and environmental work for the project. In addition, the Board reserved \$1,674,600 of the \$4,593,600 for various contractual services related to the planning and environmental work, pending provision of contractual details, hourly rates and the MBE/WBE/LBE status of the contractors (File 148-91-8).

On June 12, 1991, the Board of Supervisors authorized the Director of Public Works to apply for \$11.0 million in State Highway Funds for the planning, design and construction of a subsurface alternative to the Embarcadero Freeway, and to accept and expend \$756,400 of said funds for planning and environmental work for the project. In addition, the Board reserved \$275,400 of the \$756,400 for various contractual services related to the planning and environmental work, pending provision of contractual hours, hourly rates and the MBE/WBE status of the contractors (File 148-91-9).

Therefore, the total amount of funds on reserve for planning and environmental work for the Embarcadero Freeway Replacement Project is \$1,950,000 (\$1,674,600 plus \$275,400).

On June 10, 1992 the Finance Committee released \$1,624,625 from a total requested release of \$1,950,000 and continued to reserve the remaining \$325,375 as recommended by the Budget Analyst. DPW identified a total of \$1,476,932 for contractual services of which \$590,998 or approximately 40 percent of these costs for such services to be performed by Disadvantaged Business Enterprise (DBE) including Minority and Women

Business Enterprise (MBE/WBE) firms. Adding a 10 percent contingency increased this total amount by \$147,693 from \$1,476,932 to \$1,624,625. Thus the difference between the requested \$1,950,000 release of funds and the actual \$1,624,625 release is \$325,375, which is the subject of this item.

DPW has identified an amendment to its existing Embarcadero Replacement Project totaling \$580,815 as follows:

Release of Funds (this item)	\$325,375
Reprogramming of existing planning funds	<u>255,440</u>
Total Plan Amendment	\$580,815

The proposed cost changes by task and by consulting firm would be as follows:

<u>Description</u>	<u>Amount</u>
Initiation of Environmental Documentation	\$ 2,855
Environmental Studies and Reports	311,183
Draft EIS/EIR	30,858
Public Hearing	1,233
Responses to Comments, Final EIS/EIR	24,031
Meetings	17,242
Project Management	4,149
Engineering Services	135,629
Fee	<u>53,635</u>
Total	\$580,815

<u>Consulting Firms</u>	<u>Amount</u>
Parsons, Brinckerhoff, Quade, & Douglas	\$119,273
Douglas Wright Consulting	9,179
Aileen C. Hernandez Associates (MBE/WBE)	3,146
Public Affairs Management (WBE)	6,273
Finger & Moy (MBE)	11,955
Baseline Environmental Consulting (WBE)	23,500
Jonas & Associates (WBE)	7,562
E. M. Rose & Associates (MBE)	9,519
Harding Lawson Associates	9,735
Wilson, Ihrig & Associates	7,229
Korve Engineering	259,229
Chaudhary & Associates (MBE)	<u>114,215</u>
Total Consultants	\$580,815

**Comments:**

1. Parsons, Brinckerhoff, Quade & Douglas (PBQ&D) as the prime contractor indicates that the contractors involved in this project will devote a total of 16,808 hours to the project and that

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



the hourly rates charged by the contractors range from \$12.00 to \$61.25.

2. The estimated budget for the Planning Phase (Environmental and Preliminary Engineering) for the Embarcadero Freeway Replacement Project is as follows:

<u>City Departments</u>	<u>Amount</u>
Department of Public Works (DPW)	\$2,900,000
Department of Parking and Traffic	250,000
Department of Planning	220,000
City Attorney	5,000
Real Estate Department	35,000
(DPW) Bureau of Environmental Regulation and Management	<u>40,000</u>
Subtotal	\$3,450,000
<u>Consultant Costs</u>	\$1,833,039
Total	\$5,283,039

3. Ms. Sara Pickus, Project Manager at the DPW advises that the additional \$580,815 in consultant costs would amend and increase the total request for consultant services from \$1,252,224 to \$1,833,039, as follows:

<u>Consulting Firms</u>	<u>Amount</u>
Parsons, Brinckerhoff, Quade, & Douglas	\$630,294
Douglas Wright Consulting	89,595
Aileen C. Hernandez Associates (MBE/WBE)	46,692
Public Affairs Management (WBE)	138,284
Finger & Moy (MBE)	99,761
Baseline Environmental Consulting (WBE)	150,361
Jonas & Associates (WBE)	63,848
E. M. Rose & Associates (MBE)	54,367
Harding Lawson Associates	64,585
Wilson, Ihrig & Associates	61,405
Korve Engineering	319,632
Chaudhary & Associates (MBE)	<u>114,215</u>
Total Consultants	\$1,833,039

Memo to Finance Committee  
December 9, 1992

4. Ms. Pickus reports that the requested funds are needed to do the environmental impact report (EIR) portion of the Embarcadero Freeway project, irrespective of whether the City decides to build a subsurface or surface road. Ms. Pickus advises that the EIR work must be done before construction work can begin.

**Recommendation:** Release the reserve.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
December 9, 1992

Items 2, 3, 4, 5 and 6 - Files 65-92-15, 65-92-16, 65-92-17, 65-92-18 and 65-92-19

Refer to the separate Budget Analyst's report of December 7, 1992 regarding the proposed amendments to Candlestick Park Lease and Amendments to Related Agreements with the San Francisco Giants.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 7 - File 118-92-9

**Note:** This item was transferred to the Finance Committee at the November 17, 1992 City Services Committee meeting because of its fiscal impact.

**Item:** Ordinance amending Part II, Chapter C of the San Francisco Municipal Code (Health Code) by adding Article 26 thereto, encompassing sections 1601 through 1633 to establish a comprehensive lead hazard reduction program.

**Description:** The proposed ordinance would amend the Health Code to include provisions intended to reduce the exposure to lead among children and other residents of San Francisco. Exposure to lead represents a health hazard which is especially dangerous to children, since it can damage the central nervous system, result in reduced concentration and attentiveness, create permanent learning disabilities and otherwise interfere with healthy development.

A significant source of lead exposure is lead-based paint, which was manufactured until 1977 and used extensively in buildings constructed prior to that time. DPH reports that 80 to 85 percent of San Francisco's housing stock was constructed before 1980, and 70 to 75 percent was constructed before the 1950's, at a time when paint contained a very high concentration of lead.

The proposed ordinance would establish a comprehensive program to educate City residents and adults who work with children to the hazards of lead exposure, and to establish investigative, abatement, and case management procedures to reduce the City's lead hazards and to enhance access by San Francisco residents to appropriate medical services.

The proposed ordinance provides for the following components of the Comprehensive Lead Poisoning Prevention Program:

City Agency Task Force (Section 1606): The Director of Public Health would convene and co-ordinate a City Agency Task Force to exchange information and co-ordinate inter-departmental lead abatement activities. The Task Force would include representatives of the Department of Public Health, Department of Public Works, Department of City Planning, Department of Social Services, the Recreation and Park Department, the Public Library, the Public Utilities Commission, the Mayor's Office, and the Chief

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Administrative Officer. The Director of Public Health would request the participation of the Redevelopment Agency, the Housing Authority, San Francisco Unified School District, and any other agencies with relevant expertise.

Except for its provisions regarding the departments to be represented, as stated above, the proposed ordinance does not specify the number of Task Force members.

Lead Poisoning Prevention Citizens Advisory Committee (Section 1607): This Committee (a separate body from the City Agency Task Force) would review implementation of the proposed ordinance and recommend appropriate policies and activities for medical screening and primary lead poisoning prevention activities. The 30 members of the committee would be appointed by the Board of Supervisors according to guidelines of the proposed ordinance. The Committee would include representatives of the Department of Social Services, Department of Public Health, the Mayor's Office of Housing and Child Care, the Recreation and Park Department, and the San Francisco Unified School District.

Lead Hazard Reduction Citizens Advisory Committee (Section 1608): This committee (a third separate body under the proposed ordinance) would prepare an annual report to the Board of Supervisors regarding policies and procedures for a lead hazard reduction program for residential buildings. Within six months the committee would be required to submit draft legislation to amend the Residential Rent Stabilization Ordinance to regulate the assignment to tenants of any costs associated with lead hazard reduction measures. The Committee would consist of 16 members appointed by the Board of Supervisors, including 3 representatives from City departments.

City Support for Task Force and Committees: According to the proposed ordinance, the Director of Public Health would be required to provide clerical assistance to the City Agency Task Force and the Lead Poisoning Prevention and Lead Hazard Reduction Citizen Advisory Committees described above. Under the proposed ordinance, members of the Lead Poisoning Prevention and the Lead Hazard Reduction Citizen Advisory Committees would serve without compensation or reimbursement for expenses.

Annual Report by Director of Public Health (Section 1609): The Director of Public Health would be required to submit an annual report describing the current efforts of all City

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

agencies pursuant to the proposed ordinance and to assess the effectiveness of the lead poisoning prevention program. The annual report would include recommendations for additional legislation to improve the program and a survey of similar State and local efforts.

Information Bulletin (Section 1610): The Director of Public Health would be required to prepare a bulletin to address lead poisoning hazards, screening and testing activities, procedures for abatement of hazards, sources of further information and assistance, and the requirements of the proposed ordinance.

Information and Outreach (Section 1611): The Information Bulletin would be provided by the Director of Public Health to the following individuals or agencies: physicians in San Francisco's Child Health and Disability Prevention Program (CHDP), the San Francisco Unified School District, the Department of Social Services, the Head Start program, City health care facilities, private physicians, the Mayor's Office of Children, Youth, and Their Families, the City's licensed child care facilities, and persons seeking to obtain a certified birth certificate of a child under 6 years of age.

The Director of Public Health would issue a directive to the Public Library, Department of Social Services, the Recreation and Park Department, and other appropriate agencies, directing them to provide information concerning lead poisoning prevention programs to children and parents participating in City programs.

Use of Appropriate Languages (Section 1612): City departments providing information and outreach services pursuant to the proposed ordinance would provide these services in "a language appropriate to the target audience."

Educational Training (Section 1613): Operators of child care facilities funded with City revenue would be required to participate in an educational training program concerning lead hazards and lead poisoning prevention activities.

Building and Demolition Permits (Section 1614): The Bureau of Building Inspection would be required to provide information concerning health risks of lead exposure to any persons applying for a building or demolition permit.

Information Included in Tax Bills (Section 1615): The Tax Collector would be required to include the Information



Bulletin prepared by the Director of Public Health in county property tax bills.

Case Management Services (Section 1617): The Director of Public Health would implement a program to track and follow-up each case of childhood lead poisoning, including lead hazard assessment of the child's dwelling unit.

Enrollment in Child Health and Disability Program (Section 1618): The Director of Public Health would develop an outreach program to inform parents or guardians of eligibility requirements of the CHDP program.

Temporary Safe Housing (Section 1619): The Director of Public Health would develop a program to provide temporary safe housing, as needed for children and families exposed to lead hazards, who cannot make such arrangements themselves.

Data Management (Section 1620): The Director of Public Health would be required to collect and analyze information regarding cases of childhood lead poisoning and primary prevention and screening activities.

Blood Test Reporting by Medical Doctors and Laboratories (Section 1621): Every physician and clinical laboratory would be required to report the results of all blood tests to the Department of Public Health. The reports would include any demographic information required on forms prepared for that purpose by DPH.

Lead Poisoning Test Results (Section 1622): The Director of Public Health would be required to report every 6 months on the results of all lead tests performed by DPH for San Francisco residents, including demographic statistics.

Departments to Identify Lead Contaminated Sites (Section 1623): Within 90 days of the effective date of the proposed ordinance, the Director of Public Health would issue guidelines regarding the characteristics of City-owned property which could present lead hazards. Every City department with jurisdiction over a building meeting the criteria defined by DPH would undertake an assessment program in accordance with the guidelines, and report the results to the Director of Public Health. The Director of Public Health would be authorized to take any appropriate actions to provide public notice of the conditions of public buildings and abate any lead hazards found to exist.



Selection of High Priority Areas (Section 1624): The Director of Public Health would develop a program to identify geographical areas of the City with particular high risk of lead contamination. These areas would receive priority in the City's efforts to reduce exposure to lead. Selection criteria to be considered would include previous cases of lead poisoning, the age and condition of buildings, inspection results, income levels, and the presence of known sources of lead.

Hazardous Non-Housing Sites (Section 1625): The Director of Public Health would develop a program to identify all non-housing sites within the City which are likely to expose children to lead hazards, to be designated "lead hazard sites," and would provide public notice of these sites to the community in which the site is located.

Inspection and Testing of Dwelling Units (Section 1626): Inspection of dwelling units would be performed by DPH whenever a case of childhood lead poisoning is reported at a level of 20 micrograms of lead per deciliter of whole blood, or at a lower level as determined by the Director. The inspections would include laboratory testing of paint, soil, or other potentially contaminated samples taken from the dwelling. The Director of Public Health would recommend abatement measures. At high concentrations (as defined), the owner of the building would be required to notify all occupants of the building of the test results.

Incentive Programs (Section 1627): The Mayor's Office would develop proposed programs for grants, loans, or other policies which would provide incentives to reduce lead hazards and prevent childhood lead poisoning. The Mayor would be required to submit recommendations to the Board of Supervisors within one year.

Comprehensive Environmental Lead Poisoning Fund (Section 1628): The Controller would establish a fund for deposit of all monies obtained from civil penalties imposed under the proposed ordinance and, to the extent allowed, all monies recovered from enforcement of laws related to lead contamination.

The Director of Public Health would also be authorized to accept any donations or gifts made to the City to support the program, which upon acceptance would be deposited to the Fund.

Penalties and Enforcement (Section 1629): The Director of Public Health would be authorized to require the correction

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

of any violations of any section of the proposed ordinance within a reasonable period of time. If the violation is not corrected, DPH may request the City Attorney to seek an injunction and to recover civil penalties.

Any individual violating or failing to comply with the proposed ordinance would be liable for a civil penalty, not to exceed \$500 for each day such a violation is committed or permitted to continue.

Any person violating or refusing to comply with the proposed ordinance would be guilty of an infraction, and would be deemed guilty of a separate offense for each day the violation or refusal to comply continues. Each violation would be punishable by a fine not exceeding \$100 for a first offense; a fine not exceeding \$200 for a second violation within a year; and a fine not exceeding \$500 for each additional violation within a year.

Any person who violates the provisions of the proposed ordinance, after having been convicted of three or more violations within the preceding 12-month period, could be charged with a misdemeanor.

**Comments:**

1. The City currently relies on the following primary resources for lead poisoning prevention activities:

**DPH Bureau of Toxics and Safety Services**

Three new positions were added to the 1992-93 annual budget of the Bureau of Toxics and Safety Services at DPH for activities related to lead hazards. A Public Health Nurse was added to conduct home visits in cases of lead poisoning, an Industrial Hygienist was added to test for the presence of lead at potentially hazardous sites, and a Health Educator was added to conduct additional education and outreach concerning lead hazards. The 1992-93 budget for the Bureau of Toxics and Safety Services includes a total of \$219,577 for the salary and fringe benefit costs of the three new employees.

**DPH Bureau of Epidemiology and Disease Control**

DPH has been awarded a grant of \$125,547 for fiscal year 1992-93 from the U.S. Centers for Disease Control to provide enhanced outreach and education to residents of the Mission District, where the risk of lead exposure is greater than in other parts of the City. The grant program is currently being implemented and staff has not yet been hired. However, DPH estimates that the staff will consist of 2 Community Health Workers, 1 Secretary, and a 0.5 FTE Data Manager, at an annual cost of \$104,142. These

staff members will be hired by the California Public Health Foundation, which administers the grant program, and assigned to DPH, and will not be Civil Service employees.

Childhood Health and Disease Prevention Program (CHDP)

This program administers grant funds to reimburse physicians for the cost of medical care provided to low-income children. According to Ms. Mildred Crear of DPH, CHDP reimbursements are not capped and are available to all enrolled physicians who provide medical care to children who qualify on the basis of income. Under the proposed ordinance, DPH would conduct further outreach to increase the number of physicians enrolled in the program, and to publicize the availability of these services to low-income families.

2. Dr. Alvaro Garza of the Bureau of Epidemiology and Disease Control at DPH reports that DPH could implement the Comprehensive Lead Poisoning Prevention Program using existing personnel, with the possible addition of one new Health Programs Coordinator.

Existing personnel consist of the staff assigned to lead prevention and abatement activities of the DPH Bureau of Toxics and Safety Services (BTSS), and staff funded by a grant from the Centers for Disease Control for a lead poisoning prevention program in the Mission District (see Comment 1).

The Budget Analyst estimates that the addition of one Health Programs Coordinator II would entail annual expenditures for salary and fringe benefits of approximately \$66,751, at the maximum salary amount. Since this position is not included in the approved budget for 1992-93, the Budget Analyst notes that the addition of such a position to DPH staff would require a supplemental appropriation. However, Dr. Garza reports that the position could be funded with new tax revenues expected to be available from the State later in 1992-93 (see Comment 7).

3. According to Dr. Garza, the proposed ordinance would primarily require DPH to perform additional education and outreach activities. The major cost of these activities will be production and dissemination of the DPH Information Bulletin, and training of child care providers.

Section 1611 of the proposed ordinance requires the DPH Information Bulletin to be widely distributed. However, the number of bulletins which would be required, and the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

cost of producing and distributing them, is not known at this time. DPH reports that, according to the 1990 census, there are approximately 42,000 children between the ages of 0 and 5 residing in San Francisco, whose parents, teachers, physicians, child-care providers, and other service providers would all be targeted to receive the bulletin. Ms. Sue Cone of BTSS notes that if one bulletin were produced for each child under the age of five in San Francisco, at an estimated cost of \$0.10 per bulletin, the total cost of the bulletins would be \$4,200, although this cost would increase if more bulletins were needed or the cost to produce them exceeded \$0.10 per bulletin.

The Budget Analyst notes that training for child care providers, as required under Section 1613, could be provided through workshops which are currently being developed by the 3 new lead prevention employees at BTSS.

4. Dr. Garza reports that if the number of reported cases of childhood lead poisoning increases significantly due to the increased education and outreach activities of the proposed ordinance, DPH may require the addition of a new Industrial Hygienist to perform additional residential inspections. The Budget Analyst notes that the maximum annual salary and fringe benefit cost for a Senior Industrial Hygienist in 1992-93 is \$95,795. Dr. Garza reports that this position, if it were needed, could also be paid from approximately \$150,000 which Dr. Garza expects to be allocated in 1992-93 under new State legislation (see Comment 7).

However, Ms. Cone reports that BTSS is currently investigating cases of childhood lead poisoning using the three positions added in 1992-93 for the BTSS lead prevention program, which include one Senior Industrial Hygienist. Ms. Cone states that BTSS investigates childhood lead poisoning in accordance with guidelines issued by the Centers of Disease Control for lead poisoning prevention and abatement procedures. BTSS conducts a home visit by a Public Health Nurse in cases where a child is found to have blood lead levels of at least 15 micrograms per deci-liter, and evaluation by an Industrial Hygienist, including laboratory testing of paint, soil, and other samples, in cases where the child's blood lead level is at least 20 micrograms per deci-liter.

Ms. Cone reports that BTSS identifies approximately 77 cases annually of children whose blood lead levels exceed 15 micrograms, and 24 cases annually of children with blood levels of at least 20 micrograms. If these numbers were to



increase as the result of additional education and outreach, the need for additional BTSS staff for home visits, assessment, and staffing could be re-evaluated.

5. Ms. Cone reports that testing of a single residence entails laboratory tests costing from \$500 to \$800, but that these costs are currently paid by the State. If these costs are transferred to San Francisco by the State, increased inspection and testing of residential buildings could entail significantly higher costs to the City for clinical laboratory services.

6. Section 1623 of the proposed ordinance would involve the evaluation of City-owned property for lead hazards, using guidelines established by DPH. The cost of these assessments, and of any abatement work recommended by the Director of Public Health, cannot be determined at this time.

7. Dr. Garza reports that the State has recently enacted a comprehensive lead poisoning prevention program, which imposes new taxes on industries which generate materials containing lead. Dr. Garza states that approximately \$150,000 is expected to be available to the City during 1992-93 under the new State legislation. However, the final amount of the expected allocation is still unknown at this time. Dr. Garza reports that the anticipated State funds could be used to fund a Health Programs Coordinator and a Senior Industrial Hygienist if these additional positions were needed to implement the Comprehensive Lead Poisoning Prevention Program. The total annual cost of these positions, at the maximum salary level, would be \$162,546. If the positions were funded for only six months during 1992-93, the cost would be \$81,273 at the maximum salary level.

8. The Budget Analyst notes that the Mayor's proposed budget for the 1993 Community Development Block Grant Program includes a \$500,000 proposed allocation for a Lead Hazard Prevention Program Pool. According to the Mayor's Office, this program pool would fund lead hazard assessment and abatement activities at child-care facilities that have received CDBG funds.

9. Although the Director of Public Health is authorized under the proposed ordinance to recommend abatement activities where lead hazards are identified, building owners and other responsible parties would not be required under the proposed ordinance to correct the identified hazards. Ms. Cone reports that DPH does not require such

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

measures because there is a shortage of qualified contractors in the City who can perform lead hazard abatement activities. Ms. Cone states that some contractors will attend workshops developed by BTSS concerning lead hazard abatement techniques, and will then be eligible to receive State certification as qualified contractors for lead abatement services.

10. Under the proposed ordinance, the only corrective measure which would be required of private property owners would be that they notify tenants of lead hazards, after inspection by DPH, if lead concentrations are found at a very high level. However, under the proposed ordinance, DPH would conduct tests only in response to identified cases of childhood lead poisoning in excess of 20 micrograms. As noted previously, DPH estimates that there are approximately 24 such cases on an average annual basis.

11. This item was approved by the City Services Committee on November 17, 1992 and transferred to the Finance Committee because of its fiscal impact, in that it requires an expenditure of funds for new activities by City agencies. The total 1992-93 cost of existing General Fund and grant-funded personnel who would be used for this program is \$323,719 (see Comment 1). In addition, if a new Health Programs Coordinator and an additional Senior Industrial Hygienist were needed, these positions would impose additional annual salary costs of approximately \$162,546, or \$81,273 for a six month period. The cost of information bulletins required to be produced under the proposed ordinance is estimated at \$4,200, but the actual cost will depend on the number of bulletins and the actual costs of production. DPH reports that an additional \$150,000 for this program may be allocated by the State during 1992-93.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Items 8 and 9 - Files 101-92-15 and 102-92-7

**Department:** Department of Public Health

**Items:** These items are hearings to consider:

(File 101-92-15) A supplemental appropriation ordinance to fund a new Medical Waste Generator Program.

(File 102-92-7) An ordinance to amend the Annual Salary Ordinance to create two new positions for the Medical Waste Generator Program.

**Amount:** \$93,097

**Source of Funds:** New revenues generated by implementing Medical Waste Generator fees.

**Description:** As of the writing of this report the legislation for these items has not been finalized. Therefore, the Budget Analyst cannot report on these items until the legislation becomes available.

**Comment:** The Budget Analyst's previous report for the November 18, 1992 Finance Committee Meeting, regarding an ordinance (File 118-92-8) to amend the San Francisco Health Code to provide for the Medical Waste Generator Program is attached. This ordinance was amended by the Finance Committee to 1) require that the program would be fully supported by fee revenues only (no General Fund monies would be used to support the program) and 2) require the program to be evaluated at the end of 18 months of operations, and the program would be terminated at the end of two years, if program revenue projections for the third and subsequent years do not equal projected expenditures for the program. This ordinance is being considered by the Board of Supervisors on December 7, 1992.

Memo to Finance Committee  
November 18, 1992

Item 7 - File 118-92-8

**Department:** Department of Public Health (DPH)

**Item:** The proposed ordinance would amend the Health Code by adding Article 25, Sections 1401 through 1413 to provide for a program for enforcement of the California Medical Waste Management Act and for registration, permitting, inspections and administrative fees for medical waste generators, treatment, and storage facilities.

**Description:** The proposed Medical Waste Generator Registration, Permitting, Inspection and Fee Ordinance (Medical Waste Ordinance) would regulate the storage, treatment, transportation, and disposal of medical waste within the City. The proposed ordinance would enable the City's DPH to regulate private and public medical waste generator agencies located in the City and County of San Francisco.

The proposed ordinance contains a two page technical definition of "medical waste." Generally, "medical waste" is the discarded superfluous material from medical or veterinary agencies that may contain infectious disease organisms and, therefore, is a health threat to humans and animals. Used hypodermic needles, blood vials, bandages, and medical instruments are examples of medical waste.

The ordinance would regulate the management of medical waste generated by various medical facilities including: hospitals, clinics, surgery centers, doctor's offices, veterinary offices, health care facilities, medical laboratories, and dental offices. Agencies having facilities that produce medical waste would be required to send to the DPH an informational document which includes general business information and information on the types and volumes of medical waste produced, medical waste handling, storage, treatment and disposal methods. The ordinance would require that medical waste could only be transported by State licensed hazardous waste haulers or certain medical waste generator agencies with limited hauling exemptions issued by the DPH.

Agencies having facilities that treat medical waste generated on site would also be required to comply with specified provisions in the ordinance. Medical waste treatment is any method designed to destroy the biological hazard of medical waste so as to eliminate its potential for causing disease. The ordinance additionally would regulate the storage and transfer of medical waste by requiring permits for the

consolidation and use of common storage areas by a group of generators.

The proposed ordinance contains specific regulations for large and small quantity generator agencies and fees that would be paid to the City (estimated revenues are detailed in Comment number 4 below) as follows:

**Large quantity generators** agencies would be those agencies having facilities that generate more than 200 pounds of medical waste each month. (The proposed ordinance defines the constituents of "medical waste.") The proposed ordinance requires that large quantity generator agencies register with the DPH annually. In addition, the generator agency would be required to submit a Medical Waste Management Plan that includes general business information as well as information on the types and volumes of medical waste generated, medical waste handling, storage, treatment and disposal methods.

This group of generator agencies would be subject to inspection on an annual basis by the City to ensure compliance with State and City requirements. Mr. Scott Nakamura, the Hazardous Waste Project Manager for the DPH Bureau of Toxics, Health and Safety Services, estimates that there are 177 agencies in San Francisco that would fit the large quantity medical waste generator definition of the proposed ordinance. This large quantity medical waste generator group includes 83 agencies that currently have State medical waste licensed facilities and 94 licensed laboratories, veterinary offices, and medical offices. The proposed ordinance would require the payment of annual registration fees to the City by large quantity generators agencies. These annual registration fees would range from \$255 to \$1,445 according to the size and type of facility.

The proposed ordinance would require that **Onsite Medical Waste Treatment Facility Permits** be obtained from the DPH by large quantity generator agencies that want to treat and dispose of their own medical wastes. Large quantity medical waste generator agencies that want to treat their own medical wastes would be required to use approved methods which include the use of an autoclave, microwave, or incinerator. In addition, a health care facility accepting medical waste for treatment from small quantity generators located within 400 yards could do so as an onsite treatment facility.

Large quantity medical waste generator agencies wanting to obtain an onsite treatment permit would be required to submit an application containing business information, treatment method, facility treatment capacity, waste characterization, and estimated average monthly quantity of waste to be treated at the facility. Mr. Nakamura estimates that there are 21 agencies in the City that currently treat medical waste onsite. The annual permit fee for an onsite autoclave permit would be \$255 and the annual permit fee for all other State Approved treatment methods would be \$340. In addition, the Director of DPH would charge large quantity medical waste generator agencies wanting to obtain an onsite treatment permit a permit application fee equal to \$85 for each hour that DPH staff spends processing the permit application.

**Small Quantity Generators** would be those agencies having facilities that generate less than 200 pounds of medical waste each month. The proposed ordinance would regulate two subgroups of small quantity generator agencies. The two groups would include small quantity generator agencies that treat medical waste onsite and small quantity generators that do not treat medical waste onsite.

Small quantity generators that treat medical waste onsite would be required to register, file a medical waste management plan, and submit applicable fees to the DPH on a biennial basis. The approved treatment methods for onsite medical waste treatment would include the use of steam sterilization, incineration, and microwave methods. The management plan would be required to describe the method to be used to treat, transport, and dispose of the medical waste. In addition, this group of generator agencies would be subject to inspection by the City on a biennial basis to ensure compliance with State and City requirements. Small quantity generators that treat medical waste onsite would be required to pay a registration fee of \$255 every two years. Mr. Nakamura estimates that there are 15 agencies in the City that currently are small quantity generator agencies that treat medical waste onsite.

Small quantity generators that do not treat medical waste onsite are required by the ordinance to submit to the DPH an informational document that describes how the medical waste is handled, stored, transported, and disposed. In addition, the ordinance requires that small quantity generator agencies pay a one time non-registrant fee of \$75. Mr. Nakamura estimates that there are 1,600 small quantity



generator agencies that would be required to submit the informational document and one time fee.

**Limited Quantity Hauling Exemptions** would be required to be obtained from the DPH which would enable small quantity generator agencies to transport up to 20 pounds of medical waste per week. The medical waste would be required to be transported to a licensed medical waste treatment facility or transfer station before consolidation or treatment and disposal. Small quantity generator agencies applying for a Limited Quantity Hauling Exemption would be required to pay an annual fee of \$85. Mr. Nakamura estimates that there are 50 small quantity generator agencies that would request Limited Quantity Hauling Exemptions. Agencies that haul 20 pounds of medical waste per week or more would continue to be licensed and regulated by the State.

**Common Storage Facility permits** would be obtained from the DPH for small quantity generator agencies that want to store medical waste until it is picked up by a licensed hauler. The permit could be issued to the group of small quantity generator agencies, the property owner or management firm, or medical waste hauler. The fee for a Common Storage Facility permit would range from \$213 to \$425 depending on the number of generator agencies served by the storage facility. Mr. Nakamura estimates that there are 21 groups of small quantity generators agencies that would use common storage facilities.

The proposed ordinance would authorize the Director of the DPH to enforce the provisions of the California Medical Waste Management Act of 1990. Violations of the Act and ordinance would be subject to Cease and Desist Orders and Administrative penalties of up to \$1,000 per violation. Violations of an Order would constitute a misdemeanor and could be subject to civil action. Violations of storage, treatment, and disposal standards would vary from small quantity and large quantity generators. Generators violating these standards are subject to penalties ranging from \$1,000 for the first offense to no more than \$25,000 and/or three years imprisonment for multiple offenses. The Director of the DPH would also be authorized to take emergency actions when necessary to protect the public health or welfare. The Director of the DPH could also assess liens for costs and charges incurred by the City for the abatement of any imminent danger.

The proposed ordinance authorizes the City's Director of the DPH to enforce the provisions of the California Medical Waste

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
November 18, 1992

Management Act of 1990. Violations of the Act and ordinance would be subject to Cease and Desist Orders and Administrative penalties of up to \$1,000 per violation. Violations of an Order would constitute a misdemeanor and would be subject to a civil action.

Violations of storage, treatment, and disposal standards would vary for small quantity and large quantity medical waste generator agencies. Medical waste generator agencies violating these standards would be subject to penalties ranging from \$1,000 for the first offense to no more than \$25,000 and/or three years imprisonment for multiple offenses. The Director of the DPH would also be authorized to take emergency actions when necessary to protect the public health or welfare. The Director of the DPH could also assess liens for costs and charges incurred by the City for the abatement of any imminent hazardous waste danger.

**Comments:**

1. The State currently regulates the storage, treatment, transportation, and disposal of medical waste within the City and regulates private and public medical waste generator agencies located in the City and County of San Francisco. The DPH intends that the proposed ordinance would give the DPH control over medical waste in the City to better assure that the biological character of medical waste can either be isolated or eliminated so as to prevent medical waste from causing disease in humans or animals. The DPH believes that it can do a better job to assure the safety of medical waste in the City than can the State.

2. The California Medical Waste Management Act of 1990 authorizes local agencies, such as the City, to establish a medical waste regulatory program through the adoption of a local medical waste management ordinance. According to Mr. Scott Nakamura, the Hazardous Waste Project Manager for the DPH Bureau of Toxics, Health and Safety Services, the State Department of Health Services currently administers the regulations contained in this act and, thereby, currently is responsible for regulating private and public facilities located in the City that create, produce, or generate medical wastes. Mr. Nakamura states that the State Department of Health Services is not adequately staffed to respond to the City's local concerns.

3. According to Mr. Nakamura, "the benefits of local implementation of the Medical Waste Management Program include local control over the identification and correction of problems related to the improper management of medical waste, faster response to incidents of improperly managed

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



medical waste, the ability to address occupational safety and health issues at medical facilities, increased communication with medical waste generators, and coordination of local policies which would minimize public health concerns. The implementation of such a local program would also ensure that registration and permit fees, which would otherwise be submitted to the State, would stay in San Francisco."

4. The following table lists the one-time and annual fees that would be charged for each type of agency and activity:

<u>Type of Agency</u>	<u>Number of Beds</u>	<u>Number of Agencies</u>	<u>Frequency of Payment</u>	<u>Fee</u>	<u>Annual Revenue</u>	<u>One Time Revenue</u>	<u>Total First Year Revenue</u>
<b><u>Large Quantity Generator</u></b>							
Hospital	1 to 99	3	Annual	\$ 510	\$ 1,530		
Hospital	100 to 199	1	Annual	765	765		
Hospital	200 to 250	1	Annual	1,020	1,020		
Hospital	251 plus	12	Annual	1,445	17,340		
Skilled Nursing Facility	1 to 99	14	Annual	255	3,570		
Skilled Nursing Facility	100 to 199	4	Annual	340	1,360		
Skilled Nursing Facility	200 plus	1	Annual	425	425		
Specialty Clinic		31	Annual	595	18,445		
Acute Psychiatric Hospital		2	Annual	595	1,190		
Intermediate Care Facility		1	Annual	595	595		
Primary Care Clinic		12	Annual	595	7,140		
Health Care Service Plan		5	Annual	595	2,975		
Licensed Clinical Laboratory		38	Annual	255	9,690		
Veterinary Offices		6	Annual	255	1,530		
Medical Office*		46	Annual	255	11,730 *		
<b><u>Small Quantity Generator</u></b>							
On-Site Treatment		15	Biennial	255	1,913		
Off-Site Treatment		1,600	One-time	75		\$120,000	
<b><u>Haulers</u></b>							
Limited Quantity Hauling		50	Annual	85	4,250		
Exemption							
Transfer Fee*		1				595 *	
<b><u>Common Storage Facility Permits</u></b>							
10 or less Agencies Served		6	Annual	213	1,278		
11 to 49 Agencies Served		10	Annual	340	3,400		
50 or more Agencies Served		5	Annual	425	2,125		

Type of Agency	Number of Beds	Number of Agencies	Frequency of Payment	Fee	Annual Revenue	One Time Revenue	Total First Year Revenue
<u>On-Site Medical Waste Treatment Facility</u>							
Autoclave Treatment		20	Annual	255	5,100		
Other Treatment		1	Annual	340	340		
Processing Fee (estimate 30 hours)				\$85/Hr.	2,550		
Totals					\$100,856	\$120,000	\$220,856

\* The proposed ordinance does not currently contain full provision for these fees. The DPH is working with the City Attorney's Office to amend the proposed ordinance to include mortuaries under the definition of medical offices and to make provision for a transfer fee of \$595 annually. The transfer fee would be charged to haulers operating a transfer station at which medical wastes are consolidated and transferred to another hauler's vehicle.

5. The California Medical Waste Management Act allows counties to charge fees necessary to implement a medical waste management program. A comparison of the proposed fees for the City and County of San Francisco, the State of California, and five other counties that have already implemented medical waste management programs is contained in the attached schedule.

6. Mr. Nakamura projects the annual costs for the implementation of the proposed Medical Waste Program to be \$213,458. These implementation costs include personnel costs of \$135,432 and non-personnel costs of \$78,026 as follows:

#### Personnel Costs

Classification	FTE	Annual Salaries
6122 Senior Environmental Health Inspector	1.0	\$ 66,240
1446 Secretary II	1.0	39,566
Salary subtotal	2.0	\$105,806
Mandatory Fringe Benefits (@ 28%)		29,626
Total Personnel Costs		\$135,432

#### Operating Costs

Auto Mileage	\$ 1,000
Travel	500
Training	2,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Contractual Services (Emergency Response)	\$22,000
Other Current Services	2,000
Vehicle	5,000
Postage (3 mailings by registered mail)	17,500
Telephone	1,500
Materials and Supplies	6,000
Rental of Property	5,336
Data Processing Equipment	7,500
Reproduction	6,690
Medical Surveillance	<u>1,000</u>
Total Operating Costs	<u>78,026</u>
Total Cost	\$213,458

7. The Senior Environmental Health Inspector position would determine the inventory of businesses subject to the ordinance, develop letters of notification, application packets, fact sheets, standard operating procedures, inspection forms, enforcement procedures, fee collection procedures, review medical waste management plans and informational documents, and conduct inspections of facilities subject to the ordinance. In addition, this position would conduct business workshops for the regulated community to assist them in complying with the requirements of the ordinance. The Senior Clerk Typist would provide clerical support for the program.

8. The above annual costs for the implementation of the proposed Medical Waste Program include the staffing and operating costs associated with the processing of applications, development of application forms, notifications of permit requirements, review of applications and required documentation, inspection of medical waste generators, issuance of permits, development and distribution of fact sheets, newsletters, and other educational materials.

9. The costs to implement the program would be entirely funded by the projected revenue of \$220,856 from registration and permit fees. The proposed ordinance provides for an inspection fee of \$85 per hour or each portion thereof for inspections and associated activities. Prior to the issuance of permits, medical waste generator agencies may be inspected by DPH staff to ensure compliance with State and City requirements.

10. According to Mr. Nakamura, after the initial year of operation of the proposed Medical Waste Program, various

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
November 18, 1992

initial costs of the Program could be eliminated or reduced. For example, vehicle, postage and data processing expenses could be reduced significantly. Mr. Nakamura estimates that the annual ongoing cost of the proposed Medical Waste Program would be approximately \$30,000 less than the cost of the initial year of operation or \$183,458.

11. As stated above, the estimated revenues of \$220,856 from the fees contained in the proposed ordinance would support the \$213,458 estimated cost of the first year's operation of the proposed Medical Waste Program. However, the estimated revenues of \$100,856 from the fees earned in the subsequent years of the Program would not support the \$183,458 estimated cost of the annual ongoing operation of the proposed Medical Waste Program.

12. In order to hire the staff and expend funds to implement the proposed Medical Waste Program, DPH must submit a supplemental appropriation including the Controller's certification of funds available from the proposed new fees to appropriate the funds and an ordinance to amend the Annual Salary Ordinance to create the new positions. In addition, the collection of the proposed fees by the City would require the hiring of staff to perform the requisite inspections. The supplemental appropriation and the ordinance to amend the Annual Salary Ordinance should be companion legislation to this file since none could be appropriately implemented without the others. Mr. Nakamura has indicated to the Budget Analyst that he does have a plan to fund the ongoing cost of the proposed Program but has not finalized his plan.

**Recommendation:** Continue the consideration of this item pending 1) the submission of a companion supplemental appropriation and an ordinance to amend the Annual Salary Ordinance, 2) the Department's clarification of second and subsequent years' funding, and 3) the revision of the proposed ordinance reflecting the specific intentions of the Department including fees for mortuaries and medical waste hauler transfer fees.

The adoption of the proposed ordinance that would create an additional new program responsibility for the City including new fees and the need for additional staff and operational costs is a policy matter for the Board of Supervisors.



Item 10 - File 161-92-5.1

- Department:** San Francisco Redevelopment Agency (SFRA)
- Item:** Resolution approving an amendment to the Redevelopment Agency's FY 1992-93 budget.
- Description:** The proposed resolution would appropriate \$30,000 from a recent bond transaction fee paid to the SFRA to fund a personal services contract with a consultant to provide bilingual technical services to nonprofit organizations and 24th Street merchants as part of the 24th Street Revitalization Project.
- Mr. Bob Gamble of the SFRA reports that the SFRA recently received \$81,000 from the Webster Tower and Terrace bond transaction. \$51,000 represents fees past due and \$30,000 represents new fees. The proposed resolution would approve an amendment to the SFRA's budget to appropriate \$30,000 of these revenues. The remaining \$51,000 has not yet been targeted for a specific purpose.
- Comments:**
1. As previously noted, the proposed budget amendment would appropriate \$30,000 in bond transaction fees. However, the body of the proposed resolution indicates that the proposed amendment to the SFRA's budget would permit a transfer of line items for the expenditure of \$30,000 for a personal services contract. As such, the proposed resolution should be amended to delete reference to "the transfer of line items" and replace it with "appropriate new revenues."
  2. Mr. Leaman Abrams of the Redevelopment Agency reports that the SFRA has advertised for the proposed consultant position but has not yet selected a consultant. As such, the Budget Analyst recommends that the \$30,000 be placed on reserve pending selection of the consultant. Instead, the SFRA requests the proposed resolution be continued to the call of the Chair pending the SFRA's selection of a consultant.
- Recommendations:**
1. Amend the proposed resolution to delete reference to "transfer of line items" and replace with "appropriate new revenues" as described in Comment 1.
  2. Continue the proposed resolution as amended to the call of the Chair pending the SFRA's selection of a consultant as described in Comment 2.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





Item 11 - File 197-92-5

**Note:** This item was continued at the October 28, 1992 Finance Committee Meeting to allow the City Attorney to prepare legislation to effect changes in the distribution of Hotel Tax revenues. As of the writing of this report the City Attorney has not finalized the legislation.

1. This item is a hearing to consider the Cultural Affairs Task Force Final Report.

2. The Cultural Affairs Task Force, consisting of 59 representatives from various arts organizations, as well as from the private sector and City government, was created by the Board of Supervisors in March, 1991, to: (1) survey arts funding in San Francisco; (2) study current arts and cultural departments and policies in other major cities in the United States; (3) make recommendations to the Board of Supervisors on how San Francisco can enhance the public process and oversight, and improve the mechanisms by which the City supports the economic health and vitality of its diverse cultural life. The Cultural Affairs Task Force submitted its final report to the Board of Supervisors October 5, 1992. This is a hearing to consider the Cultural Affairs Task Force Final Report.

3. Grants for the Arts (GFTA) is a City organization, funded by Hotel Tax revenues, that provides on-going grant funding to virtually all eligible San Francisco arts organizations that apply for such funding, in proportion to their size. Grants for the Arts funds act as an on-going subsidy. Funds are not granted on a competitive basis, but all eligible applicants receive funding, subject to the availability of funds. The three basic eligibility requirements are as follows: (1) the organization must have 501(c)3 non-profit status or affiliation; (2) the organization must have a two year stable programming history in the area in which it is applying for funding; and (3) the organization must be located in San Francisco.

4. According to Mr. John Kreidler of the San Francisco Foundation, a private nonprofit foundation, and a member of the Task Force, the Cultural Affairs Task Force was formed, in part, in response to criticism of the Grants for the Arts program by certain members of the arts community. Mr. Kreidler advises that some members of the arts community believed that GFTA funds could be distributed more equitably because: (1) some organizations of comparable size received substantially different grant amounts; and (2) large arts organizations, such as the Exploratorium, the Symphony, the Opera, the Ballet and ACT, by virtue of their size, received a disproportionate amount of GFTA's total funds. These large arts organizations are all Western European in their derivation, leading to allegations that the distribution of GFTA funds was racist. According to Mr. Kreidler, certain GFTA critics believed that funds should be redistributed, not based on size, but based on parity with the racial make-up of San Francisco. Under this distribution, if eight percent of San Francisco's population is African American, then eight percent of GFTA funds should be allocated to African American arts organizations.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

5. The Cultural Affairs Task Force established the following recommended principles for the City's arts policy:

- The City should strive to achieve cultural equity;
- All forms of City involvement in the arts should include public participation, such as review panels including members of the public;
- Artistic creativity is a civic good, and its encouragement by government is a fundamental mark of a civilized society;
- Artistic expression is vital to our civic health. The arts and arts education are not luxuries;
- A healthy arts environment thrives at all levels, including individual artists, grassroots and other small and mid-size organizations, and large arts institutions;
- Keeping all the arts in San Francisco should be a priority, since the arts are a major employer in the City.

6. Mr. Kreidler reports that in general, GFTA has been successful in apportioning grants to arts organizations based on size. However, Mr. Kreidler advises that some variation in the grant amount received by comparable organizations does exist. However, any such disparity in grant amounts would be accidental, and not based on the organization's merit, size or seniority. To ensure that organizations of comparable size receive comparable grants, the Task Force recommends that the current GFTA progressive formula, under which small institutions receive a greater percentage of their annual budget than large ones, be changed from a set of categories to a graduated curve. Each organization would receive a grant delineated by this graduated curve, based on the size of the organization. This graduated curve would resemble an income tax table, Mr. Kreidler reports. According to the Task Force's report, this would eliminate sharp drops in funding as organizations grow or shrink incrementally, and would eliminate disparities between organizations of comparable budget size. Ms. Kary Schulman of Grants for the Arts advises that the implementation of this curve is likely to negatively impact certain small and multi-cultural organizations, which are currently the only organizations that receive funds above the proposed curve.

7. To further ensure that GFTA funds are distributed equitably, the Task Force's report recommends the establishment of a panel including artists and other arts professionals to consider first time applications for Grants for the Arts funding. Currently, applications are considered by an advisory committee consisting of San Francisco artists, arts patrons, and business and community leaders with experience in non-profit and arts management, Ms. Schulman reports. According to Ms. Schulman, if decisions were made by a panel such as that recommended by the Task Force, the process may be slower and more costly to administer. As noted above, GFTA funds are awarded to all eligible applicants,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

and grant amounts are distributed purely based on a formula, with no discretionary decisions.

8. The Task Force's report recommends that a second grant fund be established to correct the perceived racial and cultural inequities of Grants for the Arts. This fund, to be called the Cultural Equity Endowment, would focus on the following four priorities:

- a. Cultural Equity Initiatives;
- b. Contracts for artwork to individual creative artists in all disciplines;
- c. Project grants to small and midsize arts organizations; and
- d. Facilities acquisition program, or Artspace Initiative.

9. Unlike GFTA, grants from the Cultural Equity Endowment would be made on a competitive basis. Such grants would not act as a subsidy, because grants would not necessarily be on-going. Instead, the Cultural Equity Endowment would make purposeful investments for smaller arts groups which are representative of minority cultures, Mr. Kreidler reports. For example, a group might receive a sum of money to support start-up costs, or to market their work for a limited time. Organizations that receive Cultural Equity Endowment funds would not be ineligible to receive GFTA on-going grants in addition to the competitive grant received from the Cultural Equity Endowment.

10. This proposed Cultural Equity Endowment is targeted to consist of 1.0 percent and 1.5 percent of Hotel Tax funds during the first and second years, respectively, and two percent of Hotel Tax funds thereafter. The Task Force's report assumes that the Cultural Equity Endowment would commence in 1993-94, and that Hotel Tax revenues would increase by five percent annually. Based on these assumptions, and based on FY 1992-93 estimated Hotel Tax revenues of \$55,562,400 in 1992-93 generated from the basic 8 percent Hotel Tax rate, the Budget Analyst estimates that the total dollar amount of the Cultural Equity Endowment would be as follows:

- \$583,405 in FY 1993-94 (one percent of the current estimated revenues plus a five percent increase);
- \$918,863 in FY 1994-95 (1.5 percent of the estimated FY 1993-94 revenues plus a five percent increase); and
- \$1,286,408 in FY 1995-96 (two percent of estimated FY 1994-95 total revenues plus a five percent increase. The Cultural Equity Endowment would consist of this two percent of Hotel Tax revenues in perpetuity; the estimated dollar amount would vary in future years based on the dollar amount of Hotel Tax revenues.

Such an allocation would require that an amendment to the City's Hotel Tax Ordinance be approved by the Board of Supervisors. According to the Task Force report, this 1.0, 1.5 and eventually two percent of Hotel Tax Funds would consist of the following:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



(i) First, the Task Force requests that \$300,000 be allocated to the Cultural Equity Endowment from "unallocated" Hotel Tax funds. The Budget Analyst notes that all Hotel Tax revenues are allocated based on a formula defined in the Administrative Code, and no unallocated Hotel Tax funds exist. The portion of Hotel Tax revenues deposited to the General Fund supports General Fund activities; and

(ii) Second, to provide the balance of the Cultural Equity Endowment, the Task Force recommends the reduction, in equal parts, of the allocations to the following five recipients:

- (1) Moscone Convention Center/Brooks Hall/Civic Auditorium, which currently receives 42 percent;
- (2) the Convention and Visitors Bureau, which currently receives 10 percent;
- (3) the War Memorial, which currently receives ten percent;
- (4) Candlestick Park, which currently receives 6.23 percent; and
- (5) the Publicity and Advertising Fund, which currently receives 17 percent.

In FY 1993-94, assuming that \$300,000 from "unallocated" Hotel Tax funds supported a portion of the estimated \$583,405 FY 1993-94 Cultural Equity Endowment, the revenues of these five organizations would be reduced by a total of \$283,405, or \$56,681 each. If \$300,000 from "unallocated" Hotel Tax funds are not allocated to the Cultural Equity Endowment, assuming that the overall percentage goals for the Endowment do not change, the five organizations would support the entire estimated \$583,405 for FY 1993-94, or \$116,681 each. The amounts these five organizations would contribute would increase in FY 1994-95 and FY 1995-96 to support the increase in the Cultural Equity Endowment from 1 percent in FY 1993-94 to 1.5 percent in FY 1994-95 to 2 percent in FY 1995-96 and thereafter.

The Budget Analyst notes that since the Hotel Tax revenues of the five recipients would be reduced by the same dollar reduction to support the Cultural Equity Endowment regardless of the total amount of such funds received by their organization, the impact of this proposed allocation on the five organizations would vary significantly. For example, based on the formula contained in the Task Force's report to support the Cultural Equity Endowment, each organization's revenues would be reduced by an estimated \$56,681 in FY 1993-94. \$56,681 would represent a 1.6 percent reduction in Hotel Tax revenues for Candlestick Park, which receives the lowest portion of such revenues, but only a .2 percent reduction in Hotel Tax revenues for the Moscone Center.

The Task Force estimates that the dollar amount allocated to these five organizations would not decrease, because the Task Force anticipates that Hotel Tax revenues will increase 5 percent per year in 1993-94, 1994-95 and 1995-96. Instead, the Cultural Equity Endowment funds would come from a reduction in future increases. Assuming the five percent annual increase in Hotel Tax revenues included in the Task Force's report is correct, the Budget Analyst concurs that each of the five organizations would receive increases in the dollar

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

amount of their Hotel Tax revenues. However, the Budget Analyst notes that if the dollar amount of Hotel Tax funds allocated to these organizations does not increase over time, the value of the amount allocated to these organizations would decrease because the value of a dollar decreases over time due to inflation. In other words, expenses for these organizations would go up due to inflation, but if their anticipated revenue increase was allocated to the Cultural Equity Endowment, the organizations would need to identify areas for expenditure reductions.

The Budget Analyst further notes that Candlestick Park Hotel Tax funds are currently entirely allocated to support bond issue debt service. In addition, approximately \$24,121,500 million, or 62 percent of the Moscone Center's approximate total FY 1992-93 budget of \$38,667,000 support the debt service. Any reduction in Hotel Tax funds that now support the debt service for Candlestick Park and Moscone Center would need to be paid from the General Fund, since debt service must be paid.

Finally, the Budget Analyst notes that Hotel Tax revenues will not necessarily increase by 5 percent per year. Hotel Tax revenues are paid by tourists, and tourism generally declines during economic downturns. A 5 percent annual increase is higher than the current rate of inflation. Thus, an assumption that Hotel Tax revenues will increase 5 percent per year assumes that either the number of tourists staying in hotels or the rates charged by such hotels will increase in future years, an assumption that may not be realized because of the current economic recession. Historically, the 8 percent of the total 11 percent Hotel Tax has generated the following actual revenues:

<u>FY</u>	<u>Amount</u>	<u>Percent Increase</u>
1987-88	\$44,357,994	n/a
1988-89	48,810,018	10.0 %
1989-90	46,120,913	(5.5)
1990-91	50,588,835	9.7
1991-92	52,389,209	3.6

As demonstrated by actual revenues over the past five years, Hotel Tax revenues are inconsistent. In 1989-90, Hotel Tax revenues actually decreased 5.5 percent from the prior year. Most recently, revenues were less than the 5 percent annual increase estimated by the Task Force.

(iii) Third, the Task Force recommends a 50 percent reduction of the .5 percent of Hotel Tax Funds now assigned to the Unanticipated Events Fund, and the allocation of this .25 percent to the Cultural Equity Endowment. The Task Force's Report appears to recommend that this .25 percent would be in addition to the 1 percent, 1.5 percent, and 2 percent goals noted above. Ms. Schulman advises that GFTA generally expends all its Unanticipated Events funds either for City events, such as parades for successful professional sports teams, or for special events such as multi-cultural initiatives sponsored by small and medium sized arts organizations.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

11. According to Ms. Joanne Chow Winship, Director of the Arts Commission, the Arts Commission was recommended as the agency to administer the Cultural Equity Endowment. Ms. Winship advises that because of the nature of the proposed Cultural Equity Endowment, the Endowment would be expensive to administer. According to Ms. Winship, the Task Force envisioned a decision-making process involving a great deal of public input. In addition, grants to individual artists, which would include sample artwork, require that applications be inventoried and artwork be returned. These activities increase costs, so that approximately 20 percent of the Cultural Equity Endowment would be required to support administrative costs, Ms. Winship estimates.

12. The Task Force recommends the restoration of the Arts Liaison position in the Mayor's Office. This Arts Liaison position was eliminated by the Mayor in the FY 1992-93 budget, resulting in a lay-off. The FY 1992-93 salary range for this Arts Liaison position, a Mayor's Assistant III, is \$47,659 to \$50,008 plus fringe benefits. According to the Task Force's report, 23 City organizations provide arts services, and each of these 23 organizations has entirely separate policies and procedures. Without a coordinating organization or individual, according to Mr. Jeff Jones, arts fundraiser and Task Force member, duplication of services may occur and arts resources may not be fully utilized.

13. The Task Force recommends that, in addition to the Cultural Equity Endowment, GFTA funds should be increased by two percent. The Task Force recommends that such an increase be funded beginning in 1995, when the Candlestick Park revenue bonds have been retired, using a portion of the 6.23 percent of Hotel Tax funds currently allocated to Candlestick Park.

14. The Task Force recommends that a General Obligation bond issue be placed on the ballot in 1994 to support the capital improvement and infrastructure needs of the Neighborhood Cultural Centers. Mr. Jones advises that several recent propositions have proposed bond issues for capital improvements to Davies Symphony Hall and the Opera House. The Task Force recommends that any future General Obligation bond measures relating to arts issues include the Neighborhood Cultural Centers. The Task Force further recommends that adequate maintenance of the Neighborhood Cultural Centers become a line item in the City budget. The Task Force did not specify a funding source for this proposed line item. These recommendations address the Task Force's concern with cultural and racial equity.

15. The Task Force's report recommends that the Board of Supervisors request an independent study of the War Memorial Performing Arts Center to determine whether economies can be realized in the administration of the Performing Arts Center. Mr. Jones reports that duplication of effort may exist between the War Memorial administration and the administration of the San Francisco Symphony and Opera. Ms. Beth Murray of the War Memorial advises that the War Memorial must have a separate administration from the Symphony and the Opera, since the War Memorial is a Charter mandated department, while the Symphony and the Opera conduct businesses entirely separate from the City.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



16. Mr. Jones further reports that the Symphony and Opera pay 22¢ per square foot for office space in Davies Symphony Hall and the Opera House, which is well below the fair market value for civic center office space. Ms. Murray advises that the Symphony and Opera pay lower office rental rates because those organizations paid for the conversion of unusable space into office space, creating capital improvements which benefit the City at no cost to the City. The War Memorial is therefore collecting rent for space that was not previously usable. The low rents paid by those organizations are, in part, in exchange for the cost of capital improvements.

17. The Task Force recommends that the Board of Supervisors consider the recommendations for better planning and community outreach by the Yerba Buena Center for the Arts that are contained in a recent report by Melanie Beene and Associates which was commissioned by the San Francisco Redevelopment Agency. This report made a number of recommendations, in the following areas: Mission Statement; Facilities; Programs; Marketing and Audience Development; Public, Community and Constituent Relations; Governance; Management; and Budget Projections. The Redevelopment Agency has established an Action Plan in response to the recommendations contained in the Melanie Beene and Associates report.

18. The Task Force recommends that Proposition J Children's Fund monies be allocated to an Arts Education Program. According to Section 6.415 of the Charter, services eligible for Children's Fund monies are limited to child care; job readiness, training and placement programs; health and social services; educational programs; recreation; delinquency prevention; and library services. Arts and cultural activities are not specifically included in this list of eligible programs, but certain arts and cultural activities may fit into the eligible categories, such as education, recreation, or job training. For example, an Arts Education Program, such as the one requested to be funded, would most likely fit under the category of educational programs. Mr. Jones advises that the Task Force recommends that the definition of eligible services be expanded to include arts and cultural activities. Such an expanded definition would require a Charter amendment.

19. According to the Task Force's report, the Task Force was unable to complete its survey of funding for the arts in San Francisco. The Task Force therefore recommends that the Board of Supervisors direct the Budget Analyst to survey and analyze all City arts funding in order to obtain an accurate picture of how the City spends its arts dollars.

20. In general, the portion of the Task Force's report regarding funding is focused on the creation of a Cultural Equity Endowment to be funded from a reallocation of Hotel Tax revenues. However, as mandated by the original legislation, the report does not provide an overall picture of current or potential sources of funding for San Francisco arts and cultural activities. In addition, the report does not contain a comparison of San Francisco arts activities to such activities in other major cities.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 9, 1992

21. The Cultural Affairs Task Force Final Report was unanimously approved by the Cultural Affairs Task Force, with one abstention.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Item 12 - 127-92-10**

**Item:**

Ordinance amending Part III, Municipal Code, by adding Section 75.1 to require persons filing a statement of fictitious business name pursuant to California Business and Professions Code Section 17900 et. seq. to provide proof of compliance, including payment of all appropriate license fees, with all applicable sections of Article II of Part III of the Municipal Code.

**Description:**

The City imposes three types of business registration requirements. All businesses in San Francisco are required to obtain a business tax registration certificate from the Tax Collector, in order for the City to enforce collection of business taxes (businesses with annual gross receipts under \$15,000 are not required to pay a business tax registration fee, but still must obtain the certificate). In addition, some, but not all, businesses are required to obtain regulatory permits of various kinds, such as Health Department permits for restaurants or Fire Department permits for gas stations, which are issued by the individual departments. Finally, some, but not all, businesses are required to obtain business licenses, including, for example, licenses for laundries, sightseeing operations, theatres, automotive repairs shops, and others.

There is significant overlap between businesses which require business permits and business licenses, but some businesses are required to obtain either a permit or a license. If a business is required to obtain a permit and a license, the approved permit will be submitted by the appropriate City department to the Tax Collector pending payment of any appropriate license fees. Fees for issuance of business tax registration certificates and business licenses are collected by the Tax Collector.

In addition, the Recorder administers the filing and issuance of fictitious business name statements, which are required of individuals who adopt a name different than their own as a name for their business.

The proposed ordinance would amend the Administrative Code to require that individuals who file a statement of fictitious business name with the Recorder must provide proof of payment of all appropriate business license fees, or a waiver of any license requirements, from the Tax Collector before the fictitious business name statement will be issued.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The proposed ordinance would not require persons filing a fictitious business name statement to present proof that they have obtained the required business tax registration certificate and any required permits.

**Comments:**

1. Ms. Anita Jin, Chief of the Business License Division of the Tax Collector's office, states that currently there is not a specific procedure for businesses to follow to obtain business tax registration certificates, any required permits or business licenses, and fictitious business name (FBN) statements. She states that since most commercial establishments in the City use a fictitious business name, the proposed ordinance would be an effective way to ensure that businesses do obtain any permits and licenses which are required under the Administrative Code.

2. The proposed ordinance would require all businesses filing a FBN statement to present to the Recorder either a business license issued by the Tax Collector or a waiver of any applicable license requirements. The City and County Recorder, Mr. Bruce Jamison, states that in order to enforce the proposed ordinance effectively with existing resources, the Recorder's office would require either a business license or a waiver of the business license for every business filing a FBN statement. Mr. Jamison states that a single document (waiver or license) issued by the Tax Collector would be needed, since the Recorder is not in a position to evaluate and enforce the many different business license requirements of the Administrative Code. However, Ms. Jin reports that not all businesses are required to obtain business licenses, and the Tax Collector currently does not issue waivers to those businesses which are not required to obtain a business license. Therefore, a waiver of business license requirements is not available from the Tax Collector under existing procedures.

3. Under Article 12-B, Section 1003 of the Administrative Code, all businesses are required to obtain a business tax registration certificate from the Tax Collector and pay a business registration fee (although businesses with annual gross receipts of less than \$15,000 are exempt from the fee). Therefore, a business tax registration certificate is required to be issued by the Tax Collector to all businesses in San Francisco. The proposed ordinance would not require businesses to present evidence that they have met the business tax registration requirements of Section 1003 of the Administrative Code.

4. The Budget Analyst notes that, since all businesses are required to obtain a business tax registration certificate but

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



not all businesses are required to obtain a business permit or a business license, a more effective means to ensure that all appropriate permit, license, and business tax registration requirements are met before a FBN statement is filed would be as follows:

1) Require businesses to present evidence to the Tax Collector that they have obtained any required permits and any required business licenses (which are issued through the Tax Collector's Office), before a business tax registration certificate is issued or renewed.

2) Require businesses filing a FBN statement with the Recorder to present the business tax registration certificate issued by the Tax Collector.

However, Mr. Richard Sullivan of the Tax Collector's Office states that the Tax Collector would not be able to monitor compliance with all of the permit and licensing requirements of the Administrative Code, as recommended above, because 1) the issuance of permits is sometimes within the control of the Tax Collector, but sometimes it is solely within the discretion of individual departments, and 2) because approximately 8,000 businesses are initiated or change ownership in any given year, and the Tax Collector could not enforce compliance with all permit and business license requirements for all of these businesses with existing resources.

For these reasons, Mr. Sullivan, on behalf of the Tax Collector's Office, has requested that this matter be continued for two weeks, so that the Tax Collector can evaluate alternative strategies to enhance compliance with the business registration requirements of the Administrative Code.

5. Ms. Jin indicates that the individual City departments that issue permits, such as the Fire and Health departments, are responsible to inspect businesses for compliance with permit requirements. Under the Administrative Code, enforcement of business license requirements is delegated to the Police Department, whose officers are instructed to inspect businesses for the appropriate business license as they patrol their beat. The Tax Collector is responsible to enforce compliance with the business tax.

6. Mr. Andrew Bacigalupi in the Investigations Division of the Tax Collector's Office states that field investigators from his agency inspect businesses for required permits and

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

licenses, but that the investigators' activities focus primarily on financial audits of businesses for compliance with the City's business tax. Mr. Bacigalupi states that, in his opinion, certain areas of the City do have large numbers of businesses that have not obtained the appropriate permits and licenses. However, Mr. Bacigalupi states that the business tax registration certificate, which was enacted in 1988, is also unfamiliar to many San Francisco business owners. Mr. Bacigalupi states, in his opinion, the City's enforcement of all permit, license, and business tax registration requirements would be strengthened by increased consolidation of these requirements.

7. Business license fees vary considerably based on the type of business license which is required, ranging from \$20 annually for fumigation firms to \$2,175 annually for each garbage truck operated by a sanitation and refuse disposal company, as of July 14, 1992.

8. The proposed ordinance would amend the Administrative Code by adding Section 75.1. The Budget Analyst notes that, as of July 14, 1992, the Administrative Code already contained an existing Section 75.1, which required a license fee surcharge for calendar year 1973. Therefore, a new Section number should be assigned for the proposed ordinance, or the existing Section 75.1 should be repealed.

**Recommendation:**

Continue the proposed ordinance for two weeks, as requested by the Tax Collector's Office.



Items 13, 14, 15 and 16 - Files 101-92-10.1, 101-92-10.2, 38-92-27, 101-92-10.

**Departments:** Department of Public Works (DPW)  
Bureau of Architecture  
San Francisco Public Library

**Items:** Item 16 - Resolution (File 101-92-10) incorporating by reference findings made by the Library Commission and the Arts Commission and adopting further findings pursuant to the California Environmental Quality Act relating to the appropriation of funds for the new Main Library Project, as analyzed in the San Francisco Main Library Final Environmental Impact Report (FEIR). Case No. 90.808E.

Item 13 - Ordinance (File 101-92-10.1) appropriating \$86,213,304 for capital improvement project (Public Library Main and Branches) 1988 Library Improvement Bond Program for fiscal year 1992-93.

Item 14 - Ordinance (File 101-92-10.2) appropriating \$3,200,241 of interest earnings for capital improvement project (Public Library Main and Branches) 1988 Library Improvement Bond Program for fiscal year 1992-93.

Item 15 - Resolution (38-92-27) accepting a gift to the San Francisco Public Library in the amount of \$9,614,568 from the Library Foundation of San Francisco to fund building enhancements for the new Main Library.

**Source of Funds:** A total of \$99,028,113 would be authorized and/or appropriated as follows:

1988 Library Improvement Bond Funds (Item 13)	\$86,213,304
1988 Library Improvement Bond Funds Interest Earnings (Item 14)	3,200,241
Library Foundation of San Francisco (Item 15)	<u>9,614,568</u>
Total	\$99,028,113

**Description:** The proposed resolution (File 101-92-10) would incorporate the findings made in the Final Environmental Impact Report (FEIR) for the new Main Library. The draft EIR was issued in November, 1991.

The proposed ordinances (Files 101-92-10.1 and 101-92-10.2) which would appropriate Library Improvement Bond funds and related interest earnings, and the proposed resolution

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

(File 38-92-27) which would authorize the Public Library to accept a gift from the Library Foundation of San Francisco, would provide funds for the following:

**Construction Costs:**

Construction Contract	\$86,619,800
Construction Contingencies	2,792,709
Library Project Management	251,700
DPW Construction and Project Management*	4,388,787
Architectural and Engineering - Contract Modifications	860,800
Construction Management - Contract Modifications	272,300
Art Enrichment	840,000
Utilities	400,000
Collection Relocation	500,000
Testing and Specialized Inspection	800,000
Infrastructure Repair	530,000
DPW Architectural and Engineering Services - Branch Libraries	<u>772,017</u>
<b>Subtotal-Construction Costs</b>	<b>\$99,028,113</b>

**Building Enhancements (Funded by the Library  
Foundation of San Francisco), included in the  
\$86,619,800 award of construction contract above:**

Signage and Graphics	\$189,262
Chalk and Tackboards	93,000
Security System	661,856
Windowshades and Blinds	140,435
Lockers	91,776
Library Stacks	2,280,339
Book Conveyor	625,705
Bookcases	1,248,452
Carpet	1,305,885
Auditorium Fixtures	2,279,580
Pioneer Monument Relocation	<u>698,278</u>
<b>Subtotal-Building Enhancements</b>	<b>\$9,614,568</b>

\* Includes \$200,000 budgeted for a work order to the City Attorney's Office. See Comment No. 4.

**Comments:**

1. The proposed resolution (File 101-92-10), which would adopt the findings of the Final Environmental Impact Report (FEIR) for the new Main Library, would conclude that the Board of Supervisors finds that the benefits of the new Main Library project would override the unmitigated adverse effect on the environment. These unmitigated adverse effects include contribution to traffic, cumulative passenger loading on MUNI, BART and other transit carriers, and a potential of increased pollution. The proposed resolution (File 101-92-10) would also incorporate the mitigation measures which are proposed in the FEIR, which relate to archaeological monitoring of the site excavation, construction noise, temporary pedestrian traffic relocation and sprinkling the demolition sites with water to lessen potential air quality impacts.

2. The City Planning Commission certified the FEIR on February 27, 1992, and on May 7, 1992 found the new Main Library project is in conformity with the eight priority policies of Planning Code Section 101.1 relating to the Master Plan. The Arts Commission approved the FEIR on April 6, 1992. The Library Commission also approved the FEIR on April 17, 1992, and adopted the Mitigation Monitoring Program, which specifies actions to be taken to implement the mitigation measures included in the FEIR.

3. As noted on the prior page, \$86,619,800 would be used to fund the construction contract for the new Main Library. According to Mr. Russ Abel of the Department of Public Works (DPW) Bureau of Architecture, the construction contract was subject to a competitive bid process. The amount budgeted for the construction contract-related contingencies, of \$3,044,419, represents approximately 3.5 percent of the total construction contract of \$86,619,800. Mr. Abel anticipates that another supplemental appropriation ordinance (in addition to Item 14), funded through interest earnings from the Library Improvement Bond Funds, would be submitted to the Board of Supervisors at a later date to fund any remaining contingency costs. Huber, Hunt and Nichols, the proposed construction contractor, is the low-bidder for the new Main Library. The Branch Library construction contract(s) would be put out to bid at a later date. According to Mr. Ed Lee of the Human Rights Commission (HRC), although Huber, Hunt and Nichols is not a City-certified MBE, WBE or LBE firm, none of the bidders for the construction contract were City-certified. Mr. Lee reports that Huber, Hunt and Nichols has used a good faith effort in using MBE and WBE subcontractors, and has specified that of the total proposed construction contract of \$86,619,800, 14

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

percent of the total contract (approximately \$12.1 million) would be subcontracted to MBE firms, and 2 percent (approximately \$1.7 million) of the total contract would be provided to WBE firms. Therefore, based upon the use of MBE and WBE subcontractors, Mr. Lee reports that the firm of Huber, Hunt and Nichols has been recommended by the Human Rights Commission.

4. The \$4,388,787 budgeted for DPW Construction and Project Management Services includes \$4,188,787 for DPW Construction and Project Management Services, and a work order of \$200,000 for the City Attorney's Office. The proposed funds would be used for existing DPW bond-funded personnel. Mr. Abel reports that at the end of the project, these existing bond funded staff would either be terminated or reassigned to other DPW bond-funded projects. The following services would be provided:

<u>Task</u>	<u>Average Hourly Rate</u>
Project Management	\$95.66
On-Site Inspection	84.69
Progress Payments	77.86
Change Orders	74.30
Project Close-Out	110.68

The \$200,000 budgeted for a lump-sum work order to the City Attorney's Office is to evaluate claims and other related legal issues as a result of the construction and post-construction activities. It is estimated that 120 construction change orders would be issued during construction.

5. The DPW has indicated that of the \$4,388,787 for DPW Construction and Project Management, a total of \$834,128 would be required for FY 1992-93, including \$100,000 for services provided by the City Attorney's Office. During fiscal years 1993-94 and FY 1994-95, the remaining \$3,554,659, including \$100,000 for the City Attorney's Office, would be spent. Therefore, \$3,554,659 should be reserved, including \$100,000 for the City Attorney's Office, pending the details of the hours needed and the annual salary standardization increases, for FY 1993-94 and FY 1994-95. Mr. Norman Karasick, City Architect, disagrees with this recommendation. Mr. Karasick reports that these DPW Construction and Project Management funds are needed in order to ensure the timely completion of the project, and Mr. Karasick reports that the DPW is relatively certain on the estimated number of staff hours needed.



6. The \$251,700 budgeted for Library Project Management services would be used for the following:

<u>Library Personnel</u>	<u>FY 1993-94 (3 months)*</u>	<u>FY 1994-95 (12 months)*</u>
3638 Chief Librarian	\$25,121	\$102,295
3632 Librarian II	16,826	70,670
1446 Secretary II	<u>7,084</u>	<u>29,704</u>
Subtotal	\$49,031	\$202,669
<b>Total</b>	<b>\$251,700</b>	

\*Includes fringe benefits.

Ms. Kathy Page of the Public Library reports that these funds would not be used until FY 1993-94 and FY 1994-95. Therefore, the \$251,700 budgeted for Library Project Management services should be reserved pending annual salary standardization increases, and specific staffing requirements.

7. The \$860,800 budgeted for Architectural and Engineering Contract Modifications would be used for contract modifications which have been requested by the Architectural and Engineering firms, Pei, Cobb, Freed & Partners, and Simon, Martin, Winkelstein and Moris. Specifically, the funds would be used for Architectural and Engineering services for the following:

Alternate Bid Items	\$181,505
Building System Upgrades	44,480
Brooks Hall Ramp/Fulton Street	65,405
Base Isolation Engineering	89,227
Drawing Reproductions	90,000
Contingencies	<u>390,183</u>
Total	\$860,800

8. The \$272,300 budgeted for Construction Management Contract Modifications would be used for contract modifications which have been requested by the Construction Management firm, O'Brien Krietzberg. Specifically, these funds would be used for the following construction management services:

Archeological Services	\$188,538
Contingencies	<u>83,762</u>
Total	\$272,300

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

9. The \$840,000 budgeted for Art Enrichment services would be used to provide payment to four artists whose work will be incorporated into the construction phase of the project. According to Ms. Susan Pontius of the Arts Commission, the proposed supplemental funds would be used to continue funding for the four artists who have been selected to provide art enrichment services (including artwork construction, installation and related costs) and also for Arts Commission administrative services related to the new Main Library. Specifically, the proposed funds would be used as follows:

Alice Aycock Stairway and Hanging Sculpture	\$378,683
Ann Hamilton Diagonal Core Wall Installation	251,371
Nayland Blake Light Wall	59,245
Lothar Baumgarten Carved Granite and Painting	<u>135,131</u>
Subtotal Payments to Artists	\$824,430
Arts Commission Administrative Costs Includes funding for Curator IIs (.19 FTEs) with related overhead costs	<u>15,570</u>
Total Art Enrichment	\$840,000

10. The \$400,000 budgeted for Utilities would be provided to Pacific, Gas & Electric to install the electrical work into the new Main Library during construction. According to Mr. Abel, this estimate has been provided by Pacific, Gas & Electric.

11. The \$500,000 budgeted for Collection Relocation costs would fund the relocation of the Library collection from the existing Main Library, and the collection in storage at the Presidio to the new Main Library. According to Ms. Page, the \$500,000 estimate was based upon estimates provided by other major libraries, including Los Angeles and Chicago, which recently relocated their collections. Ms. Page anticipates that a Request for Proposal (RFP) for the relocation contract and the selection of a contractor would not occur until FY 1994-95. Therefore, the \$500,000 budgeted for relocation costs should be reserved pending the selection of a



consultant, the MBE/WBE status of the consultant, and finalized cost details.

12. The \$800,000 budgeted for Testing and Specialized Inspection costs would be provided both for City staff and to the existing Construction Management firm, O'Brien Krietzberg. The breakdown of the \$800,000 is as follows:

<u>DPW Personnel</u>	
DPW Materials Testing Lab Services	\$211,000
DPW Inspection Personnel Costs	
FY 1992-93	25,293
FY 1993-94 to FY 1994-95	107,827
<u>O'Brien Krietzberg</u>	<u>455,880</u>
Total Testing and Specialized Inspection	\$800,000

According to Mr. Abel, the City lacks the necessary machinery to complete all of the Specialized Inspection, such as drying shrinkage testing, air dry unit weight of concrete tests and welding inspection. O'Brien Krietzberg would be selecting a subcontractor to perform these services. Included in the \$455,880 budgeted for O'Brien Krietzberg would be a 10 percent fee, or \$45,588, which would be retained by the consultant, with a balance of \$410,292 for a subconsultant to accomplish the testing work. Mr. Abel reports that the City has not issued its own Request for Qualifications (RFQ) for these Specialized Inspection services because the construction schedule has already been established and the RFQ process could not be done in a timely manner. However, because the subconsultant has not yet been selected, the \$455,880 should be reserved pending the selection of a subcontractor, the MBE/WBE status of the consultant and finalized cost details. In addition, \$107,827 should be reserved for DPW Inspection personnel during FY 1993-94 and FY 1994-95 pending annual salary standardization increases, and specific staffing requirements.

13. The \$530,000 budgeted for Infrastructure Repair would be used for DPW personnel to repair and replace sidewalks and roads which may be damaged during construction. However, specific staffing requirements have not yet been determined. Therefore, the \$530,000 budgeted for Infrastructure Repair should be reserved pending details of specific repairs required and staffing requirements.

14. The \$772,017 budgeted for the Architectural and Engineering Services at the Branch Libraries would be used

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

for DPW personnel during beginning in FY 1993-94. Mr. Abel reports that the budget for design, administration and construction contracts has not yet been determined. Therefore, the \$772,017 budgeted for DPW Architectural and Engineering Services should be reserved pending a specific budget, including salary standardization details.

15. General Obligation Bond Funds cannot be used to fund certain building enhancements such as furniture and equipment. Therefore, the Library Foundation of San Francisco, through fundraising efforts, would provide these building enhancements items. These items would be purchased under the construction contract. According to Ms. Page, all of the above-listed building enhancement items include installation and maintenance costs. In addition, Ms. Page reports that the \$698,278 budgeted for the Pioneer Monument relocation would be provided to the construction contractor. The Pioneer Monument would be relocated to Fulton Street, between Hyde Street and Larkin Street. The FEIR, which the proposed resolution would adopt (File 101-92-10) would also find that the Pioneer Monument does not contribute to the historical and cultural significance of the Civic Center area, and therefore, its relocation would not have a significant negative impact on the environment.

**Recommendations:** 1. Approval of the proposed resolution (101-92-10), under which the Pioneer Monument would be relocated, is a policy matter for the Board of Supervisors.

2. Amend the proposed ordinance (101-92-10.1) to reserve funds totalling \$6,172,083 from Library Improvement Bond Funds for the following items:

• DPW Construction and Project Management (See Comment No. 5)	\$3,554,659
• Library Project Management (See Comment No. 6)	251,700
• Collection Relocation (See Comment No. 11)	500,000
• Specialized Inspection Consultant (See Comment No. 12)	455,880
• DPW Inspection Costs (See Comment No. 12)	107,827
• DPW Infrastructure Repair (See Comment No. 13)	530,000
• DPW Architecture and Engineering Services Branch Libraries (See Comment No.14)	<u>\$772,017</u>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Total Reserved Funds	\$6,172,083
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As previously noted, Mr. Karasick disagrees with the recommendation to reserve the \$3,554,659 for DPW Construction and Project Management of the \$6,172,083 in total recommended reserved funds.

3. Approve the proposed ordinance (File 101-92-10.1) as amended.
4. Approve the proposed ordinance (File 101-92-10.2).
5. Approve the proposed ordinance (38-92-27).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 17 - File 28-92-12

**Department:** Department of Public Works (DPW)

**Item:** Resolution authorizing the Director of DPW to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace the damaged sidewalks, driveways, tree basins, side sewer vents and fencing in areas of heavy pedestrian traffic.

**Amount:** \$27,309

**Source of Funds:** Defective Sidewalk Repair Revolving Fund

**Description:** The City Charter requires property owners to maintain sidewalks, driveways, tree basins, side sewer vents and fencing in front of and around their property. If there is a complaint to the DPW about a damaged sidewalk, the DPW notifies the appropriate property owner who in turn has 60 days to abate the problem. If the damage is not repaired within 60 days, the DPW conducts the necessary repairs and charges the property owner for the costs incurred. The funds used to conduct the necessary repairs comes from the Defective Sidewalk Repair Revolving Fund. When the property owners reimburse the City for the expenses to conduct the repairs, the monies are deposited into the Defective Sidewalk Repair Revolving Fund.

The DPW normally issues an annual contract to a private company to provide the repair services. However, the DPW has a backlog of approximately 2,300 damaged properties and has not selected a contractor for FY 1992-93. Thus, in accordance with Section 6.3 of the City's Administrative Code, the DPW has executed an emergency contract in the amount of \$27,309 with Tam L. Williams Concrete Contractors and Associates, a City certified WBE firm, to conduct emergency repairs to various damaged sidewalks, curbs, driveways, tree basins, side sewer vents and fencing.

**Recommendation:** Approve the proposed resolution.





Item 18 - File 97-92-63

**Note:** This item was transferred from the November 17, 1992 Administration and Oversight Committee Meeting.

1. The proposed ordinance would amend the San Francisco Administrative Code by amending Section 10.117-68, which establishes and governs the maintenance of the Cable Television Access Development and Programming Fund, by providing for the balance of all funds remaining in the Fund at the close of each Fiscal Year to be carried forward and accumulated in said Fund.

2. The Cable Television Access Development and Programming Fund (CATV Fund) was established by the Board of Supervisors for the purpose of receiving 0.2 percent of the Franchise Fee from Viacom which was to be used for development of municipal, educational and public access to cable television and related programming. Section 10.117-68 currently provides that the balance of appropriated funds remaining in the CATV Fund at the close of each fiscal year shall be deemed to have been provided for a specific purpose and shall be carried forward and accumulated in the CATV Fund for the purposes for which the CATV Fund was established. Section 10.117-68 also provides that the balance of unappropriated funds remaining in the CATV Fund at the close of each fiscal year shall be transferred to the General Fund as franchise and permit fee revenue.

3. The proposed ordinance would delete the language in Section 10.117-68 that currently permits the transfer of the balance of unappropriated funds remaining in the CATV Fund at the close of each fiscal to the General Fund resulting in the requirement that all funds, either appropriated or unappropriated, be retained in the CATV Fund and carried forward to the next fiscal year. Therefore, transfers of unappropriated funds from the CATV Fund to the General Fund would not be automatic in the future and would instead require specific authorization by the Board of Supervisors.

Comments

1. Ms. Susan Maher of the Controller's Office reports that although the current provisions of Section 10.117-68 provide that the balance of unappropriated funds remaining in the CATV Fund at the close of each fiscal year shall be transferred to the General Fund, no such transfers have been made in the past, since the establishment of the CATV Fund in 1987.

2. At their meeting of October 27, 1992 the Administration and Oversight Committee held a hearing (File 100-92-2.1) to consider pending revisions to the appropriations of the Department of the Board of Supervisors totaling \$130,000 in reductions. The \$130,000 included a total of \$74,096 in reductions to Official Advertising (\$15,294), Reproduction (\$20,000), Mail Services (\$5,000), Data Word Processing Equipment Maintenance (\$3,000) and a reduction in the Budget Analyst's contract (\$30,802). The \$55,904 balance of the \$130,000 reduction (\$130,000 less \$74,096) was to be met by an \$8,208 increase in revenues and a transfer of funds from the CATV Fund of \$47,696.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. The Board of Supervisors adopted a motion requesting the Clerk of the Board of Supervisors to undertake the following to eliminate the \$82,304 budgetary shortfall (\$130,000 less the \$47,696 transfer from the CATV Fund) that otherwise would have required increased fees of \$8,208 and expenditure reductions totaling \$74,096:

A. Take all necessary steps to provide more flexibility to the Board of Supervisors to make use of a portion of the accumulated unspent resources in the CATV Fund without reducing current appropriations for educational access and public access.

B. Ask the Controller to prepare necessary revisions in the Board's 1992-93 budget to maintain the level of services from the Budget Analyst provided in the budget adopted in July 1992, and to restore appropriations to the Board's legal advertising, reproduction, and mail services accounts so that the public's right to be fully informed about proposed legislation will not be impaired, and to avoid imposing excessive fees on members of the public.

4. The Controller's Office is currently processing the transfer of \$47,696 from the CATV Fund. The CATV Fund would still have a balance of \$99,494 after effecting the transfer of \$47,696. An additional transfer of \$82,304 from the CATV Fund would still leave a CATV Fund unappropriated balance of \$17,190.

5. Mr. John Taylor, the Clerk of the Board of Supervisors, indicates that the proposed ordinance would clarify the Administrative Code regarding the CATV Fund year-end balance by deleting the language that requires the automatic transfer of the unappropriated balance of funds in the CATV Fund to the General Fund. Mr. Taylor states that upon adoption of the proposed ordinance, additional, legislation to transfer funds from the CATV Fund to the General Fund will be submitted for consideration by the Finance Committee and the full Board of Supervisors in order to eliminate the \$82,304 balance of budgetary reductions and fee increases to the Board's 1992-93 budget.

### **Recommendation**

Approve the proposed ordinance.

Item 19 - File 172-92-18

**Department:** Fire Department

**Item:** Resolution authorizing the Fire Department to execute hold harmless agreements to hold the manufacturers of jet skis harmless from all claims arising out of the use or operation of jet skis loaned to the Fire Department.

**Description:** The San Francisco retail firm, Your Scooter Shop, that sells motorcycles and jet skis, has agreed to loan two jet skis to the Fire Department for use in ocean and bay rescue operations.

Your Scooter Shop will loan the jet skis to the Fire Department at no charge and with no obligation to purchase the jet skis. However, the Fire Department will be responsible for routine maintenance and for repairing any damage incurred to the jet skis beyond normal wear and tear, before returning the jet skis to Your Scooter Shop at the end of the loan period. The Fire Department states that routine maintenance is minimal and is performed by the Firefighters at Station 16, where the jet skis are located.

The Fire Department has had two jet skis for the last year that were on loan from Kawasaki Motors Corp., U.S.A.

**Comments:**

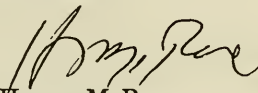
1. The Fire Department reports that although the proposed resolution requests authorization to execute hold harmless provisions with jet ski manufacturers, the intent of the proposed resolution is to authorize execution of a hold harmless agreement with only the retail firm of Your Scooter Shop. Therefore the proposed resolution should be amended to limit authorization to execute a hold harmless agreement with Your Scooter Shop.

2. According to the Fire Department, no specific language has yet been drafted for the hold harmless agreement. Your Scooter Shop has only indicated that a hold harmless agreement is required as part of the agreement to loan the two jet skis to the Fire Department but has not provided specific language for the hold harmless agreement.

3. Mr. George Riley of the City Attorney's Office is working with the Fire Department and Your Scooter Shop to draft the appropriate language for the hold harmless agreement.

Memo to Finance Committee  
December 9, 1992

- Recommendations:**
1. Amend the proposed resolution to limit the authorization to execute a hold harmless agreement to Your Scooter Shop.
  2. Approval of the proposed resolution as amended is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



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CALENDAR - Actions Taken

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, DECEMBER 16, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

ABSENT: SUPERVISOR MIGDEN - ITEM 10

CLERK: GAIL JOHNSON

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NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- (a) File 146-91-4.3. [AB 75 Capital Outlay Plan] Resolution authorizing amendment to the AB 75 Capital Outlay Plan for the City and County of San Francisco, as adopted by Resolution No. 125-91, to delete four San Francisco DPH/Community Public Health Center Services Projects, to revise nine San Francisco DPH/Community Public Services Project budgets, and to authorize expenditure of \$102,357 of interest earned on non-hospital AB 75 Capital Outlay funds for capital improvement projects for San Francisco DPH/Community Public Health Services. (Department of Public Health)

ACTION: Recommended.

- (b) File 150-91-3.1. [Grant - State Funds] Resolution authorizing Recreation and Park Department to accept and expend grant funds in the amount of \$150,000 which includes \$10,050 for indirect costs, from the Habitat Conservation Fund Program of the California Wildlife Protection Act of 1990 for India Basin Wetlands Restoration Phase I Project; companion measure to File 150-91-3. (Recreation and Park Department)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Authorizing Recreation and Park Department to accept and expend grant funds in the amount of \$150,000 which includes \$10,050 for indirect costs, from the Habitat Conservation Fund Program of the California Wildlife Protection Act of 1990 for India Basin Wetlands Restoration Phase I Project; placing \$115,000 on reserve."

- (c) File 25-92-34. [Contract] Resolution concurring with the Controller's certification that Vocational Training and Counseling Services for the Independent Living Skills Project can be practically performed at the Department of Social Services by private contractor for lower cost than similar work services performed by City and County employees. (Department of Social Services)

ACTION: Recommended.

- (d) File 172-92-17. [Contract] Resolution approving the contract between the City and County of San Francisco, Department of Public Health and HHL Financial Services, Inc., to provide uncompensated care recovery services. (Department of Public Health)

ACTION: Recommended.

- (e) File 146-92-15.2. [Release of Funds] Requesting release of reserved funds, Department of Public Health, AIDS Office, in the of amount \$258,673, for the Women's Institute and Marin County, for substance abuse treatment for people of color (contractor) Women's Institute for Mental Health/Iris Center and Ark of Refuge. (Department of Public Health)

ACTION: Release of \$258,673 recommended. Filed.

#### REGULAR CALENDAR

2. File 97-92-68. [Colorado Products Ban] Ordinance amending Administrative Code by adding Sections 10.240 through 10.247 to prohibit departments of the City and County from purchasing any commodities that have been produced or manufactured in the State of Colorado; authorizing the Purchaser to establish rules and regulations to carry out purposes of ordinance; providing for penalties to ensure compliance with the ordinance; requiring the Purchaser to provide implementation reports annually to the Board of Supervisors. (Supervisor Britt)

ACTION: Amendment of the Whole bearing same title, as presented by Supervisor Britt, adopted. Further amended. (See file for details.) Recommended as amended. New title: "Amending Administrative Code by adding Sections 10.240 through 10.247 to prohibit departments of the City and County from knowingly purchasing any commodities that have been produced or manufactured in the State of Colorado; authorizing the Purchaser to establish rules and regulations to carry out purposes of ordinance; providing for penalties to ensure compliance with the ordinance; requiring the Purchaser to provide implementation reports annually to the Board of Supervisors."

3. File 101-92-16. [Travel Allowances to Colorado Not Permitted] Ordinance amending Ordinance No. 249-92, the Annual Appropriation Ordinance for Fiscal Year 1992-93, by adding thereto Section 31, which prohibits the allowance of travel expenses incurred in traveling to conventions and meetings in Colorado. (Supervisor Britt)

ACTION: Recommended.



4. File 197-92-5. [Cultural Affairs Task Force Implementation Committee] Ordinance constituting the Cultural Affairs Task Force Final Report Committee as the task force's implementation committee, with the addition of the Chief Administrative Officer or his representative, for the purpose of developing a legislative proposal for the creation of a Cultural Equity Endowment Fund Program and for the purpose of developing proposals to implement other recommendations of the Cultural Affairs Task Force final report. (Supervisor Hallinan)  
(Cont'd from 12/9/92)

ACTION: Continued to December 30, 1992, meeting.

5. File 127-92-11. [Hotel Tax] Ordinance amending the San Francisco Municipal Code, Part III, Section 515 to create a Cultural Equity Endowment Fund by reducing the percentage of the Hotel Tax allocated to the Moscone Convention Center, Brooks Hall, Civic Auditorium, Convention and Visitors Bureau, War Memorial, Publicity and Advertising Fund, and Nonrecurring Events Fund and by capturing a percentage of the General Fund, and to provide that at such time as Hotel Tax funds are no longer necessary for Candlestick Park as set forth herein, a portion of such funds be allocated to the Chief Administrative Officer for certain publicity and advertising purposes. (Supervisor Hallinan)  
(Cont'd from 12/9/92)

ACTION: Continued to December 30, 1992, meeting.

6. File 127-92-2.1. [Stadium Operator Admission Tax] Ordinance amending Part III, San Francisco Municipal Code, by amending Section 807 providing an exemption from the payment of the stadium operator admission tax, by extending for one year, through December 31, 1993, the exemption from the payment of admission taxes on tickets sold at \$17.99 or less. (Supervisor Alioto)

ACTION: Hearing held. Continued to January 13, 1993, meeting.

7. File 101-92-15. [Government Funding] Ordinance appropriating \$37,889, Department of Public Health, for permanent salaries, related mandatory fringe benefits, other contractual services, auto mileage, travel, training, other current services, telephone, materials and supplies, data/word processing equipment purchase/lease and reproduction. (Supervisor Alioto)  
(Cont'd from 12/9/92)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$37,634, Department of Public Health, for permanent salaries, related mandatory fringe benefits, other contractual services, auto mileage, travel, training, other current services, telephone, materials and supplies, data/word processing equipment purchase/lease and reproduction; placing \$7,500 on reserve."

8. File 102-92-7. [Public Employment] Ordinance amending Ordinance No. 250-92 (Annual Salary Ordinance) reflecting the addition of two new positions in the Department of Public Health. (Supervisor Alioto)  
(Cont'd from 12/9/92)

ACTION: Recommended.

9. File 265-92-1. [Interactive Media Industry] Resolution declaring it to be the policy of the Board of Supervisors to foster the growth of the Interactive Media Industry in the San Francisco Bay Area and to take various actions in furtherance of the growth of this industry in the San Francisco Bay Area. (Supervisors Gonzalez, Alioto, Shelley, Migden)  
(Transferred from Economic and Social Policy Committee 12/8/92 - Fiscal Impact)

ACTION: Amended. (See file for details.) Recommended as amended.

10. File 100-92-9. Hearing to consider the City's efforts to secure anticipated revenues and fund transfers needed to balance the 1992-93 fiscal year budget for the City and County of San Francisco. (Supervisor Gonzalez)  
(Cont'd from 12/2/92)

ACTION: Hearing held. Filed.

11. File 161-92-5.1. [Redevelopment Agency Budget and Bonds] Resolution approving an amendment to the budget of the Redevelopment Agency for fiscal year 1992-93. (Supervisor Gonzalez)  
(Cont'd from 12/9/92)

ACTION: Continued to the Call of the Chair.

12. File 101-92-20. [Government Funding] Ordinance appropriating \$83,277, Sheriff Department, for professional services (Family Violence Prevention Fund). (Supervisor Achtenberg)

ACTION: Recommended.

13. File 97-92-63. [Cable Television Access Development and Programming Fund] Ordinance amending Administrative Code by amending Section 10.117-68, which establishes and governs the maintenance of the Cable Television Access Development and Programming Fund, by providing for the balance of all funds remaining in the fund at the close of each Fiscal Year to be carried forward and accumulated in said fund. (Clerk of the Board)  
(Transferred from Administration and Oversight Committee 11/17/92 - Fiscal Impact)  
(Cont'd from 12/9/92)

ACTION: Recommended.

14. File 97-92-67. [Board of Supervisors - Fees] Ordinance amending Administrative Code by adding Section 8.37 thereto, authorizing the Clerk of the Board of Supervisors to collect fees to defray the cost of mailing and providing copies of documents relating to the business of the Board of Supervisors. (Clerk of the Board)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Amending Administrative Code by adding Section 8.37 thereto, authorizing the Clerk of the Board of Supervisors to collect fees to defray the cost of mailing and providing copies of documents relating to the business of the Board of Supervisors, and authorizing the Clerk of the Board to waive, in exigent circumstances, the fees authorized by this section."

15. File 28-92-12. [Emergency Repair] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace the damaged sidewalks, driveways, tree basins, side sewer vents and fencing in areas of heavy pedestrian traffic. (Department of Public Works)  
(Cont'd from 12/9/92)

ACTION: Recommended.

16. File 114-92-7. [Earthquake Safety Program] Ordinance amending the Building Code, by amending Section 104(b) to provide that where a building permit application is filed on or after January 1, 1992 to repair a City-owned building under the Bond-Funded Public Safety Improvement Projects, the building's existing electrical, plumbing, mechanical, fire protection or life-safety systems are not required to comply with this code if the system complies with the code in effect at the time of its construction or installation, the system is safe to continue to operate, and the system is not relocated, altered for reuse, or expanded; adopting findings.  
(Department of Public Works)  
(Transferred from Econ. & Social Policy Committee 12/8/92 - Fiscal Impact)

ACTION: Recommended.

17. File 51-92-3. Transmitting claims of employees, various departments, for reimbursement for personal property damaged and/or stolen in the line of duty. (Various) (Cont'd from 12/2/92)  
July, August, September 1992

ACTION: Hearing held. Resolution prepared in and reported out of Committee entitled: "[Reimbursement to Employees] Authorizing reimbursement for cost of personal property of City and County employees damaged or stolen in the line of duty." Recommended.

18. File 64-92-24.1. [Lease of Real Property] Resolution authorizing an amendment to an existing lease of real property at 10 United Nations Plaza, Suite 260, for the Mayor's Office of Children, Youth and Their Families. (Real Estate Department)

ACTION: Recommended.



CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

BUDGET ANALYST

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December 14, 1992

**TO:** Finance Committee  
**FROM:** Budget Analyst *Recommendations*  
**SUBJECT:** December 16, 1992 Finance Committee Meeting

Item 1a - File 146-91-4.3

**Department:** Department of Public Health (DPH)

**Item:** Resolution authorizing an amendment to the AB 75 Capital Outlay Plan for the City and County of San Francisco, as adopted by Resolution 125-91, to delete four San Francisco DPH/Community Public Health Center Services Projects, to revise nine San Francisco DPH/Community Public Services Project budgets, and to authorize expenditure of \$102,357 of interest earned on non-hospital AB 75 Capital Outlay funds for capital improvement projects for San Francisco DPH/Community Public Health Services (CPHS).

**Description:** The Board of Supervisors previously approved legislation (Resolution 125-91) authorizing DPH to adopt the AB 75 Capital Outlay Plan and authorizing DPH to expend the grant allocation of \$3,991,643 from the AB 75 Capital Outlay Fund for County and private hospital and non-hospital capital outlay purposes, including facility repairs, renovation, remodeling, expansion, acquisition and equipment needs. The State requires that no less than 67 percent of the funds be allocated to hospitals and no more than 33 percent be allocated to non-hospital facilities, including outpatient clinics, mental health facilities, public health clinics, and community or free clinics.



On February 4, 1991, the Board of Supervisors approved Resolution 125-91 granting permission to submit the San Francisco's AB 75 Capital Outlay Plan which included 13 CPHS projects totaling \$963,263 and to expend grant funds from the AB 75 Capital Outlay Fund of the State for capital improvement projects. DPH proposes to amend a section of the City's AB 75 Capital Outlay Plan to delete four of the 13 projects and revise the remaining nine project budgets.

The proposed resolution would authorize these amendments to the City's AB 75 Capital Outlay Plan. In addition, the Department is requesting authorization to spend \$102,357 of interest earnings on non-hospital AB 75 Capital Outlay funds to expand and renovate clinic space at the Tom Waddell Clinic.

**Comment:** Attached is a summary of the proposed deleted and revised projects as submitted by DPH.

**Recommendation:** Approve the proposed resolution.



## SUMMARY OF DELETED AND REVISED PROJECTS

<u>Project</u>	<u>Previous Budget</u>	<u>Revised Budget</u>	<u>Reason For Deletion/Chance</u>
#1 HVAC System (HC #1)	\$ 73,424	\$ 97,000	Revised estimated costs.
#2 Exam Rooms (HC #1)	\$ 60,000	\$ 85,000	Revised estimated costs.
#3 HVAC System (HC #2)	\$ 52,305	\$ 42,000	Revised estimated costs.
#4 Fire Alarm System	\$ 17,000	\$ 0	No longer a priority.
#5 Supply Transport-Dumbwaiter Replacement (HC #2)	\$ 24,000	\$ 0	Repaired; replacement not needed.
#6 HVAC System (HC #3)	\$ 52,305	\$ 26,000	Revised estimated costs.
#7 Expand Clinic Space (HC #4)	\$ 7,400	\$ 9,000	Revised estimated costs.
#8 Exam Rooms (2) (HC #5)	\$ 40,000	\$ 70,000	Revised estimated costs.
#9 Supply Transport-Dumbwaiter Replacement (HC #5)	\$ 24,000	\$ 0	Repaired; replacement not needed.
#10 Public Health Satellite Clinic (YGC)	\$ 60,000	\$119,000	Remodel newly-acquired building.
#11 Telephone Conversion At Health Centers	\$260,000	\$430,000	Revised estimated costs.
#12 MIS Patient Records (Administration)	\$210,079	\$ 0	Completed with other funds.
#13 Expand/Renovate Clinic Space (Tom Waddell Clinic)	\$ 82,750	\$ 85,263	Departmental priority; revised estimated costs.
Total	\$963,263	\$963,263	

NOTE: Interest earned on non-hospital funds through 05-31-92 totaling \$102,357.00 will be added to Project #13 for a total of \$187,620.00 of AB 75 Capital Outlay funds used for Project #13.



Item 1b - File 150-91-3.1

**Department:** Recreation and Park Department

**Item:** Resolution authorizing the Recreation and Park Department to accept and expend grant funds, including \$10,050 in indirect costs, for India Basin Wetlands Restoration Phase I Project.

**Grant Amount:** \$150,000

**Grant Period:** January 1, 1993 through June 30, 1997

**Source of Funds:** Habitat Conservation Fund, California Department of Parks and Recreation

**Project:** India Basin Wetlands Restoration, Phase I

**Description:** The State has enacted the California Wildlife Protection Act of 1990, which provides funds to the State of California for grants to local agencies to acquire and/or develop facilities for public recreational and fish and wildlife habitat protection purposes. The proposed grant funds would be used for Phase I of the India Basin Wetlands Restoration Project. Phase I of the proposed project would include the removal of submerged debris and scuttled vessels which have been dumped and abandoned at the water's edge. Phase II of the proposed project, which the Recreation and Park Department would begin upon the completion of Phase I in FY 1992-93, would include landscaping of inland areas and restoration of wetland and shoreline habitats.

The India Basin land was purchased with funds from the Open Space Fund and is the only Bay shore land held by the Recreation and Park Department. The India Basin land is located in the area of Innes Avenue and Hunters Point Boulevard. It has been used for years as a dumping ground and squatters' settlement, and has several barges and other vessels, both beached and submerged, which must be removed prior to restoring the wildlife and vegetative habitats desired in Bay wetlands.

**Required Match:** \$150,000 available through previously appropriated FY 1990-91 Open Space funding (See Comment #2).

**Project Budget:**

<u>Contractual Services</u>	
Beach and Underwater Clean-up	\$100,000
Removal of Barges and/or Dredging	<u>100,000</u>
Total Contractual Services	\$200,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Contingency

Approximately 15 percent of Contractual Services \$30,000

DPW Work Order

Engineering, Architectural and Inspection	50,000
Construction Management	<u>9,950</u>
Total DPW Work Order	\$ 59,950

Indirect Costs

Total Project	<u>10,050</u> \$300,000
---------------	----------------------------

**Indirect Costs:** \$10,050 or 6.7 percent of the total proposed grant funds of \$150,000.

**Comments:**

1. As noted above, \$150,000 in required matching funds would come from the FY 1990-91 Open Space Fund allocation. The proposed \$150,000 in matching fund was allocated specifically for the India Basin Wetlands Restoration project.

2. According to Ms. Elaine Molinari of the Recreation and Park Department, the contractors which would be used for the Beach and Underwater Clean-up and for the Removal of Barges and/or Dredging, have not yet been selected. Therefore, a total of \$115,000 of the proposed grant funds should be reserved, consisting of \$100,000 budgeted for Contractual Services and \$15,000 budgeted for contingencies, pending the selection of contractors, the MBE, WBE status of the contractors and finalized cost details.

3. The \$59,950 budgeted for DPW Work Orders would be used for DPW personnel to perform engineering, architectural and inspection services during Phase I of the project, which includes the removal of debris and any submerged vessels.

4. The Disability Access Checklist is in the file.

5. Attached is the "Summary of Grant Request" form.

**Recommendations:** 1. Amend the proposed resolution to reserve a total of \$115,000 for Contractual Services and related Contingencies, pending the selection of contractors, the MBE, WBE status of the contractors and finalized cost details.

2. Approve the proposed resolution as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

(Item No. \_\_\_\_\_)

## - Summary of Grant Request

Rev. 4/10/90

Grantor CA Dept of Parks  
 Contact Person \_\_\_\_\_  
 Address \_\_\_\_\_  
 Amount Requested \$ 150,000  
 Term: From 1/93 To 6/97  
 Health Commission \_\_\_\_\_

Division Recreation & Park Dept.  
 Section \_\_\_\_\_  
 Contact Person Phil Arnold  
 Telephone 666-7080  
 Application Deadline \_\_\_\_\_  
 Notification Expected \_\_\_\_\_  
 Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$ 150,000 from the period of 1/93 to 6/97 to provide Restoration of Wetlands services.

II. Summary: (Context/history; need addressed; number & groups served; services and providers)

The proposed grant funds would be used to clear debris, submerged vessels and vehicles from shoreline recreation area at India Basin, with the clearing and grading of the shore, natural wetland habitats.

## III. Outcomes/Objectives:

Restoration of Welandts

## IV. Effects of Reduction or Termination of These Funds:

## V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Org.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			\$150,000		\$150,000	
Personnel						
Equipment						
Contract Svc.			200,000			
Mat. & Supp.						
Facilities/Space						
Other			89,950			
Indirect Costs			10,050			

## VI. Data Processing

(costs included above)

## VII. Personnel

PT CSC \_\_\_\_\_  
 PT CSC \_\_\_\_\_  
 Contractual \_\_\_\_\_

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
 N/A

Will grant funded employees be retained after this grant terminates? If so, how?  
 N/A

VIII. Contractual Services: Open Bid X Sole Source \_\_\_\_\_ (if sole source, attach Request for Exemption Form)





Item 1c - File 25-92-34

**Department:** Department of Social Services (DSS)

**Item:** Resolution concurring with the Controller's certification that Vocational Training and Educational Counseling Services for the Independent Living Skills Project can be practically performed by a private contractor for lower cost than similar work services performed by City and County employees.

**Services to be Performed:** Employment and Vocational Services would be provided to approximately 80 to 100 adolescents (ages 16-19) who are participants in the Independent Living Skills Project. These services include employment and vocational counseling, training to prepare for job application, and assistance in finding internship positions and other job opportunities.

**Description:** The Controller has determined that contracting for Vocational and Educational Counseling Services at the Department of Social Services in fiscal year 1992-93 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Salaries	\$40,668	\$48,128
Fringe Benefits	<u>9,354</u>	<u>11,069</u>
Total	\$50,022	\$59,197
<u>Contracted Service Costs</u>	<u>46,300</u>	<u>46,300</u>
<u>Estimated Savings</u>	\$3,722	\$12,897

**Comments:**

1. According to the Department of Social Services, Vocational and Educational Counseling Services were first certified as required by Charter Section 8.300-1 in 1989 and have continued to be provided by an outside contractor since then.
2. The proposed one-year contract, which is with Ms. Sherry Tennyson, would be retroactive to October 1, 1992, and would expire September 30, 1993.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. Fiscal year 1992-93 is Ms. Tennyson's fourth year of providing counseling services to the Department of Social Services. According to the Department, Ms. Tennyson is a women-owned and minority-owned business enterprise.

4. The Department of Social Services advises that this contract would be funded by Federal Title IV monies and the funder requires that the contract be bid competitively each year. According to the Department, Ms. Tennyson was the lowest bidder and she had more experience than the other bidders.

5. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

CHARTER 8.300-1 PROPOSITION J QUESTIONNAIREDEPARTMENT 45 Social Services For Time period 10/1/92 to 9/30/93CONTRACT SERVICES Vocational and counseling Services, ILS Program

## 1. Who performed services prior to contracting out?

Service has been contracted out since program was established. It has never been performed by City and County employees.

## 2. Number of City employees laid off as result of contracting out?

None.

## 3. Explain disposition of employees if they were not laid off?

Not applicable. Employees had not performed service.

## 4. What percent of a City employee's time is spent on services to be contracted out.

None.

## 5. How long have the services been contracted out?

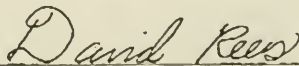
4 years.

## 6. What was the first fiscal year for a Proposition J certification?

1989-1990

## 7. How will contract services meet the goals of your MBE/WBE Action Plan.

It will conform with the plan. RFQ has been conducted.



David Rees, Contract Manager  
Department Representative

557-5585

Telephone Number



Item 1d - File 172-92-17

- Department:** Department of Public Health (DPH)
- Item:** Resolution approving the contract between the Department of Public Health and HHL Financial Services, Inc. to provide uncompensated care recovery services.
- Description:** The DPH, through its Request for Proposal (RFP) process, recently selected HHL Financial Services to provide uncompensated care recovery services. These services include (1) assisting uninsured, indigent individuals, referred by San Francisco General Hospital, to qualify for MediCal and/or other program benefits (i.e., Victims of Crime program), and (2) assisting patients and the Hospital with third party liability cases (i.e., auto accident cases) and Workers Compensation. Specifically, HHL Financial Services would assist individuals, who are potentially eligible for benefits but are difficult to qualify, to fill out MediCal and/or other program forms and to gather necessary documentation. HHL Financial Services would also represent MediCal applicants in appeals if an application is denied.
- Under the terms of the proposed contract, HHL Financial Services would receive 24 percent of the first \$2 million recovered from MediCal, other programs, and liability cases, 22 percent of these funds recovered between \$2 million to \$4 million, and 20 percent of these funds recovered over \$4 million. This represents a change from the current contract which provides that the contractor receives 25 percent of all funds recovered from MediCal, other programs, and liability cases.
- Comments:** 1. Mr. Gordon Choy of the DPH, Contract Office reports that the Department received only one qualified proposal, which was from HHL Financial Services, in response to its RFP. According to Mr. Choy, a second proposal was received by the Department two days after the official deadline for the submission of proposals and therefore did not qualify as a responsive bid. Mr. Choy advises that the RFP was advertised in the San Francisco Chronicle, the San Francisco Examiner, the Asian Week, the Sun Reporter and the El Mundo newspapers. As noted above, HHL Financial Services, which is neither an MBE or a WBE firm, was selected as the qualified bidder. HHL Financial Services is the current contractor for these services and has been providing these services to the City since 1988. The proposed

four year contract would commence January 1, 1993 and expire December 31, 1996.

2. Ms. Sharon Kennison of the DPH reports that in FY 1991-92, HHL Financial Services recovered \$3,294,771 from MediCal, other programs, and liability cases. Of the \$3,294,771, 25 percent or \$823,693 was paid to HHL Financial Services and \$2,471,078 or 75 percent accrued to the City. Ms. Kennison advises that as of November, 1992, HHL Financial Services has recovered \$951,703 in FY 1992-93 from MediCal, other programs, and liability cases.

3. Under the proposed new contract Ms. Kennison estimates that for FY 1993-94 the City would realize an estimated \$3.3 million for these services and HHL Financial Services would earn an estimated \$766,000.

**Recommendation:** Approve the proposed resolution.



Item 1e - File 146-92-15.2

**Department:** Department of Public Health (DPH)  
Aids Office

**Item:** Release of reserved funds for the Department of Public Health, Aids Office, in the amount of \$258,673, for the Women's Institute for Mental Health/Iris Center and for a grant to Marin County, for substance abuse treatment.

**Amount:** \$258,673

**Source of Funds:** U. S. Department of Health and Human Services (DHHS), Health Resources and Services Administration (HRSA).

**Description:** The Board of Supervisors previously authorized the DPH to accept and expend a continuation of the Ryan White Comprehensive AIDS Resources Emergency Disaster Relief Grant (CARE/Title I Supplemental) of \$14,661,192 from the Federal Department of Health and Human Resources. However, the Finance Committee reserved a total of \$1,270,000 earmarked for contractual services, pending the selection of contractors, information regarding contract budget details, and the MBE/WBE status of the contractors. These grant funds provide assistance to localities that are disproportionately affected by the AIDS epidemic. The Finance Committee previously released \$200,529 of the \$1,270,000 in reserve funds, leaving a balance of \$1,069,471 still on reserve.

Mr. Tim Piland of the DPH reports that the Department erroneously requested the release of reserve funds for the grant for Marin County. According to Mr. Piland, the HRSA did not allocate monies to Marin County for 1993-92, due to a reduction in CARE/Title I Supplemental funds. The \$258,673 requested for release from reserve is designated for the Women's Institute of Mental Health only.

The Women's Institute of Mental Health, a non-profit agency, in collaboration with the Ark of Refuge, also a non-profit agency, would establish a dual-diagnosis residence for African American women with HIV disease and active chemical dependency. Project services would be provided to four to six program clients at a time and would include permanent housing, meals, and HIV support services in conjunction with a long-term substance abuse recovery

program. The project budget in the amount of \$258,673, is detailed below:

<u>Personnel</u>	<u>FTE</u>	
Executive Director	.04	\$1,500
Associate Director	.06	2,400
Counseling Services Director	.04	1,200
HIV Coordinator	.06	2,000
Administrative Coordinator	.05	1,250
HIV Recovery Counselor	.58	15,400
Outreach Worker	.67	15,200
Administrative Assistant	.33	<u>8,400</u>
Subtotal Salaries	1.83	\$47,350
Fringe Benefits		13,258

Operating Expenses

Administration:		
Office Furnishing and Equipment		\$2,800
Office Supplies		600
Printing		1,000
Staff Mileage		80
Insurance		2,500
Staff Training		500
Housing Costs:		
Personnel		89,626
Rent		25,000
Client Costs (i. e., meals, Transportation)		7,066
Utilities		1,800
Supplies		900
Furniture/Equipment		18,120
Renovation and Repairs		17,450
Other Costs		4,105
Consultants		<u>5,160</u>
Subtotal Operating Expenses		176,707
<u>Administration Overhead</u>		<u>21,358</u>
Total		\$258,673

**Recommendation:** Approve the proposed release of reserved funds in the amount of \$258,673.



Items 2 and 3 - Files 97-92-68 and 101-92-16

**Item:** Ordinance amending the San Francisco Administrative Code, Chapter 10, by adding Article XXI, Sections 10.240 through 10.247, to prohibit departments of the City and County from purchasing any commodities that have been produced or manufactured in the State of Colorado; authorizing the Purchaser to establish rules and regulations to carry out purposes of the ordinance; providing for penalties to ensure compliance with the ordinance; and requiring the Purchaser to provide implementation reports annually to the Board of Supervisors (File 97-92-68)

Ordinance amending Ordinance No. 249-92, the administrative provisions of the Annual Appropriation Ordinance for Fiscal Year 1992-93, by adding Section 31, which prohibits the allowance of travel expenses incurred in traveling to conventions and meetings in Colorado.

**Description:** In November, 1992, the citizens of Colorado approved a State Constitutional Amendment, known as Amendment 2, which repealed local anti-discrimination ordinances in the Cities of Aspen, Boulder, and Denver, and which prohibits the State of Colorado and any department, agency, political subdivision, municipality or school district in Colorado from enacting or enforcing any law, regulation, or policy which prohibits discrimination on the basis of gay, lesbian, or bisexual orientation.

The two proposed ordinances have been submitted in response to Colorado's passage of Amendment 2. The first proposed ordinance (File 97-92-68) would amend the San Francisco Administrative Code to prohibit City Departments from purchasing any commodities that have been produced or manufactured in the State of Colorado, authorize the Purchaser to establish rules and regulations to carry out the provisions of the proposed ordinance, provide for penalties for non-compliance, and require the Purchaser to provide annual implementation reports to the Board of Supervisors concerning the prohibition on purchases of Colorado commodities.

The ordinance would require that the Purchaser or other contracting officer of the City obtain a declaration under penalty of perjury that the commodities offered under a proposed contract have not been purchased or manufactured in Colorado. The prohibition would not apply to contracts entered into prior to the effective date of the ordinance, contracts valued at less than \$5,000, any contract in which

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

the City would incur a financial loss which the contracting office believes would violate his or her fiduciary duties to the City, or where the requirements of the proposed ordinance are inconsistent with the terms and conditions of a grant, subvention, or contract with the State or Federal governments.

The Purchaser or any other City official responsible for procuring goods and services would be required to promulgate rules and regulations to enforce the proposed ordinance.

The failure of a contractor to comply with the proposed ordinance would be deemed a material breach of contract. If the declaration submitted by the contractor, attesting that the purchased commodities were not produced or manufactured in Colorado, is found to be false, the City would be authorized to impose any sanction designed to ensure compliance, which could include 1) refusing to award a contract, 2) ordering that a contract be suspended, 3) withholding funds, 4) ordering that the contract be revised based on a material breach of contract, 5) disqualification of a bidder or contractor from further consideration for a period up to five years, with a right to review and reconsideration after two years if corrective action is taken.

The proposed ordinance further provides that if a contractor fails to comply in good faith with the provisions of the proposed ordinance, the contractor would be liable for liquidated damages for each violation, equal to 1) the bidder or contractor's net profit under the contract, 2) 10 percent of the total amount of the contract, or 3) a penalty of \$1,000, whichever is greatest.

The Purchaser would be required to submit an implementation report to the Board of Supervisors one year after the effective date of the ordinance.

The second proposed ordinance (File 101-92-16) would amend the 1992-93 annual appropriation ordinance to prohibit the allowance of travel expenses incurred by City employees in traveling to conventions and meetings in Colorado. Specifically, the ordinance provides that, after January 7, 1993, no allowance would be made for expenses incurred in traveling to conventions and meetings in Colorado.

**Comments:**

1. Mr. Ara Manasian of the Purchasing Department states that he has requested Mr. Harold Guetersloh of the Controller's Office to generate a computer listing of firms

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



providing goods and services to the City whose addresses, for the remittance of payments by the City, are in the State of Colorado. As of the writing of this report, the list of businesses with Colorado addresses was not available for review by the Budget Analyst.

2. Mr. Manasian also states that the requirement that each bidder and contractor submit a declaration, attesting that the commodities to be procured by the City were not produced or manufactured in Colorado, would generate "thousands of additional documents" for review by the Purchasing Department, and could require the Purchasing Department "to throw out certain bids or investigate the declarations" submitted by bidders and contractors.

Mr. Manasian states that the Purchasing Department therefore recommends that the prohibition on the purchase of Colorado commodities be imposed as a bid condition, whereby bidders would be required to submit a statement, together with their bid, that to the best of their knowledge the commodities supplied were or were not produced or manufactured in Colorado.

3. Mr. Manasian also states that implementation of the proposed ordinance prohibiting the purchase of Colorado commodities (File 97-92-68), would be difficult because many distributors do not know where the commodities they distribute were actually produced. As an example, Mr. Manasian states that the City's office supplies are procured under a contract with the Boise-Cascade company. This contract was awarded through a competitive bidding process, but the City's office supplies are ordered as needed from the Boise-Cascade office supply catalogue. The catalogue contains hundreds of different types of office supplies, and Boise Cascade is unlikely to be able to attest which supplies were manufactured in Colorado, according to Mr. Manasian. For the same reason, Mr. Manasian indicates that it would also be very difficult for City employees to determine whether each of these items was produced or manufactured in Colorado.

4. It should be noted that much of Colorado's economy is centered in the Cities of Aspen, Boulder, and Denver. Amendment 2 was rejected by a majority of voters in these cities, and each of these Cities enacted local ordinances prohibiting discrimination on the basis of sexual orientation several years ago (Aspen's ordinance was passed in 1977).

According to Mr. Tom Watson of the Gay and Lesbian Alliance Against Defamation (GLAAD) Chapter in Denver, which supports the proposal to prohibit the City's purchases of Colorado commodities, the campaign in support of Amendment 2 was organized largely by membership organizations headquartered in Colorado Springs.

Statewide, 53.4 percent of Colorado voters supported Amendment 2 and 46.6 percent opposed the amendment. The following table presents the electoral returns for Amendment 2 for Colorado's largest counties. The counties in which the amendment was rejected by a majority of voters are shown in bold:

<u>County</u>	<u>County Seat</u>	<u>Outcome by County</u>	
		<u>Pct. In Favor</u>	<u>Pct. Opposed</u>
Adams	Brighton	54.4	45.6
Arapahoe	Littleton	54.8	45.2
<b>Boulder</b>	<b>Boulder</b>	<b>39.6</b>	<b>61.4</b>
<b>Denver</b>	<b>Denver</b>	<b>40.0</b>	<b>60.0</b>
El Paso	Colorado Springs	65.9	34.1
Jefferson	Golden	55.1	44.9
Larimer	Fort Collins	53.8	46.2
Mesa	Grand Junction	55.6	44.4
<b>Pitkin</b>	<b>Aspen</b>	<b>28.1</b>	<b>71.9</b>

According to the election returns, approximately 33 percent of all votes cast on Amendment 2 were cast by residents of the metropolitan areas surrounding Boulder, Denver, Aspen, and Colorado Springs, while the remaining votes were cast in smaller counties.

5. According to the U.S. Census Bureau, the principal industries in the State of Colorado include manufacturing, tourism, aerospace, and electronics equipment. Apart from their very large service sectors, Denver relies mostly on retail sales, transportation, and utilities; Boulder relies primarily on manufacturing, especially industrial machinery and instrumentation; and Colorado Springs relies most heavily on retail sales and manufacturing, especially electronics equipment, industrial machinery, instrumentation, and fabricated metal.

**Recommendation:** Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Items 4 and 5 - File 197-92-5 and 127-92-11

1. File 197-92-5 The proposed resolution would constitute the Cultural Affairs Task Force Final Report Committee as the Task Force's Implementation Committee, with the addition of the CAO or his representative, for the purpose of developing a legislative proposal for the creation of a Cultural Equity Endowment Fund Program and for the purpose of developing proposals to implement other recommendations of the Cultural Affairs Task Force final report.

File 127-92-11 The proposed ordinance would amend the San Francisco Municipal Code, Part III, Section 515 to create a special fund to be known as the Cultural Equity Endowment Fund by reducing the percentage of the Hotel Tax allocated to the Moscone Convention Center, Brooks Hall, Civic Auditorium, Convention and Visitors Bureau, War Memorial, Publicity and Advertising Fund, Nonrecurring Events Fund and by capturing a percentage of the General Fund and to provide that at such time as Hotel Tax Funds are no longer necessary for Candlestick Park as set forth under the proposed ordinance, a portion of such funds would be allocated to the Chief Administrative Officer (CAO) for certain publicity and advertising purposes.

2. On October 28, 1992 the Finance Committee held a hearing to consider the Cultural Affairs Task Force Final Report. As a result of this hearing, the Finance Committee requested the City Attorney to prepare legislation to effect changes in the distribution of Hotel Tax revenues and to enpanel a committee to implement the recommendations of the Cultural Affairs Task Force. These two items would 1) effect changes in the distribution of Hotel Tax revenues, and 2) constitute the Cultural Affairs Task Force Final Report Committee as the Task Force's Implementation Committee.

3. According to Mr. John Kreidler of the San Francisco Foundation, a private nonprofit foundation, and a member of the Task Force, the Cultural Affairs Task Force was formed, in part, in response to criticism of the Grants for the Arts (GFTA) program by certain members of the arts community. Mr. Kreidler advises that some members of the arts community believed that GFTA funds could be distributed more equitably because: (1) some organizations of comparable size received substantially different grant amounts; and (2) large arts organizations, such as the Exploratorium, the Symphony, the Opera, the Ballet and ACT, by virtue of their size, received a disproportionate amount of GFTA's total funds. These large arts organizations are all Western European in their derivation, leading to allegations that the distribution of GFTA funds was racist. According to Mr. Kreidler, certain GFTA critics believed that funds should be redistributed, not based on size, but based on parity with the racial make-up of San Francisco. Under this distribution, if eight percent of San Francisco's population is African American, then eight percent of GFTA funds should be allocated to African American arts organizations.

4. The Task Force's report recommends that a second grant fund be established to correct the perceived racial and cultural inequities of Grants for the Arts. The proposed ordinance (File 127-92-11) would establish a special fund,

called the Cultural Equity Endowment Fund, which would focus on the following four priorities:

- a. Cultural Equity Initiatives;
- b. Contracts for artwork to individual creative artists in all disciplines;
- c. Project grants to small and midsize arts organizations; and
- d. Facilities acquisition program, or Artspace Initiative.

5. Unlike GFTA, grants from the Cultural Equity Endowment Fund would be made on a competitive basis. Such grants would not act as a subsidy, because grants would not necessarily be on-going. Instead, the Cultural Equity Endowment Fund would make purposeful investments for smaller arts groups which are representative of minority cultures, Mr. Kreidler reports. For example, a group might receive a sum of money to support start-up costs, or to market their work for a limited time. Organizations that receive Cultural Equity Endowment funds would not be ineligible to receive GFTA on-going grants in addition to the competitive grant received from the Cultural Equity Endowment.

6. File 127-92-11 would amend the City's Municipal Code to allocate one percent of the total Hotel Tax Fund in FY 1993-94 and to allocate 1.5 percent in FY 1994-95 and two percent in FY 1995-96 to the Cultural Equity Endowment Fund. The attached table demonstrates the impact of the proposed allocation to the current fund recipients of the Hotel Tax revenues. As noted in the attached table, under the proposed legislation, in FY 1993-94 the Unallocated General Fund would be reduced by \$309,809 and Special Contingencies ( publicity and advertising for special parades, celebrations, street fairs and unforeseen special contingencies) would be reduced by approximately \$146,136. Each of the remaining affected organizations would be reduced by \$32,150.

7. As noted on the attached table, the proposed Cultural Equity Endowment Fund is targeted to consist of 1.0 percent and 1.5 percent of Hotel Tax funds during the first and second years, respectively, and two percent of Hotel Tax funds thereafter. The Task Force's report assumes that the Cultural Equity Endowment Fund would commence in 1993-94, and that Hotel Tax revenues would increase by five percent annually. Based on these assumptions, and based on FY 1992-93 estimated Hotel Tax revenues of \$55,671,000 in 1992-93 generated from the basic 8 percent Hotel Tax rate, the Budget Analyst estimates that the total dollar amount of the Cultural Equity Endowment Fund would be as follows:

- \$584,546 in FY 1993-94 (one percent of the current estimated revenues plus a five percent increase);
- \$920,659 in FY 1994-95 (1.5 percent of the estimated FY 1993-94 revenues plus a five percent increase); and



- \$1,287,634 in FY 1995-96 (two percent of estimated FY 1994-95 total revenues plus a five percent increase. The Cultural Equity Endowment would consist of this two percent of Hotel Tax revenues in perpetuity; the estimated dollar amount would vary in future years based on the dollar amount of Hotel Tax revenues.

8. The Budget Analyst notes that Hotel Tax revenues will not necessarily increase by five percent per year. Hotel Tax revenues are paid by tourists, and tourism generally declines during economic downturns and increases during upturns. A five percent annual increase is higher than the current rate of inflation. Thus, an assumption that Hotel Tax revenues will increase 5 percent per year assumes that either the number of tourists staying in hotels or the rates charged by such hotels will increase in future years, an assumption that may not be realized depending on economic conditions. Historically, the 8 percent of the total 11 percent Hotel Tax has generated the following actual revenues:

<u>FY</u>	<u>Amount</u>	<u>Percent Increase</u>
1987-88	\$44,357,994	n/a
1988-89	48,810,018	10.0 %
1989-90	46,120,913	(5.5)
1990-91	50,588,835	9.7
1991-92	52,389,209	3.6

As demonstrated by actual revenues over the past five years, Hotel Tax revenues are inconsistent. In 1989-90, Hotel Tax revenues actually decreased 5.5 percent from the prior year. Most recently, revenues were less than the 5 percent annual increase estimated by the Task Force.

9. The Task Force estimates that the dollar amount allocated to the five organizations which would receive a reduction in the percentage of the Hotel Tax funds would not decrease, because the Task Force anticipates that Hotel Tax revenues will increase 5 percent per year in 1993-94, 1994-95 and 1995-96. Instead, the Cultural Equity Endowment funds would come from a reduction in future increases. Assuming the five percent annual increase in Hotel Tax revenues included in the Task Force's report is correct, the Budget Analyst concurs that each of the five organizations would receive increases in the dollar amount of their Hotel Tax revenues. However, the Budget Analyst notes that if the dollar amount of Hotel Tax funds allocated to these organizations does not increase over time, the value of the amount allocated to these organizations would decrease because of the value of a dollar decreases over time due to inflation. In other words, expenses for these organizations would go up due to inflation, but if their anticipated revenue increase was allocated to the Cultural Equity Endowment Fund, the organizations would need to identify areas for expenditure reductions.

10. According to Ms. Joanne Chow Winship, Director of the Arts Commission, the Arts Commission or the Grants for the Arts were both recommended as the agency to administer the Cultural Equity Endowment Fund. According to Ms. Winship, the proposed Task Force's Implementation Committee (File 197-92-5) would decide which agency would administer the proposed

Cultural Equity Endowment Program. Ms. Winship advises that because of the nature of the proposed Cultural Equity Endowment Fund, the Endowment would be expensive to administer. According to Ms. Winship, the Task Force envisioned a decision-making process involving a great deal of public input. In addition, grants to individual artists, which would include sample artwork, require that applications be inventoried and artwork be returned. These activities increase costs, so that approximately 20 percent of the Cultural Equity Endowment Fund would be required to support administrative costs, Ms. Winship estimates.

11. In addition to deciding which agency would be responsible for administering the proposed Cultural Equity Endowment Program, the proposed Task Force's Implementation Committee (File 197-92-5) would develop proposals to implement other recommendations of the Cultural Affairs Task Force's final report.

### **Recommendation**

The proposed ordinance and resolution are policy matters for the Board of Supervisors.



Hotel Tax Revenues	Current (FY 1993-94)		Proposed (FY 1993-94)		Difference	Proposed (FY 1994-95)		Difference	Proposed (FY 1995-96)		Difference
	%usage	Total	%usage	Total		%usage	Total		%usage	Total	
<b>Total Hotel Tax Revenues</b>		<b>\$58,454,550</b>		<b>\$58,454,550</b>		<b>\$81,377,278</b>			<b>\$64,446,141</b>		
Convention Center, Brooks Hall,											
Civic Auditorium	42.00%	\$24,550,911	41.95%	\$24,518,761	(\$32,150)	\$25,707,873	(\$70,584)	41.83%	\$26,956,532	(\$110,847)	
S.F. Convention & Visitor's Bureau	10.00%	5,845,455	9.95%	5,813,305	(32,150)	6,067,144	(70,584)	9.83%	6,333,767	(110,847)	
War Memorial Special Fund	10.00%	5,845,455	9.95%	5,813,305	(32,150)	6,067,144	(70,584)	9.83%	6,333,767	(110,847)	
Publicity & Advertising	16.50%	9,645,001	16.45%	9,612,851	(32,150)	10,056,667	(70,584)	16.33%	10,522,766	(110,847)	
Candlestick Park	6.23%	3,641,718	6.23%	3,641,718	0	3,823,804	0	6.23%	4,014,995	0	
Special Contingencies	0.50%	292,273	0.25%	146,136	(146,136)	153,443	(153,443)	0.25%	161,115	(161,115)	
Low Cost Housing	6.23%	3,641,718	6.23%	3,641,718	0	3,823,804	0	6.23%	4,014,995	0	
Unallocated General Fund	7.94%	4,641,291	7.41%	4,331,482	(309,809)	4,388,475	(484,880)	6.88%	4,433,895	(583,129)	
Administration	0.60%	350,727	0.80%	350,727	0	368,284	0	0.60%	386,677	0	
Subtotal	100.00%	\$58,454,550	99.00%	\$57,870,005	(\$584,546)	\$60,458,819	(920,859)	98.00%	\$63,158,507	(1,287,634)	
Cultural Equity Endowment	0	0	1.00%	\$584,546	\$584,546	\$920,859	920,859	2.00%	\$1,287,634	1,287,634	
Total	100.00%	\$58,454,550	100.00%	\$58,454,550		\$61,377,278	2,922,728.00	100.00%	\$64,446,141		

Note: Assumes Hotel Tax revenue increases 5% each year.



Item 6 - File 127-92-2.1

1. Ordinance amending Part III of the San Francisco Municipal Code by amending Section 807 thereof, providing an exemption from the payment of the Stadium Operator Admission Tax, by extending for one year, through December 31, 1993, the exemption from the payment Admission Taxes on tickets sold at \$17.99 or less.

2. Until December 31, 1992, Section 807 of Article II, Part II of the San Francisco Municipal Code provided for an exemption from the \$0.50 Stadium Operator Admission Tax for tickets priced at \$12.99 or less for the first 42,500 paid admissions to any single event. The proposed ordinance would amend Section 807 to extend the exemption from the \$0.50 tax for tickets but at the increased price limit of \$17.99 or less (a \$5.00 increase in the prices of exempt tickets) for the first 42,500 paid admissions at each event to be effective for one year, until December 31, 1993.

3. The Stadium Operator Admission Tax was established in 1971 to partially finance the expansion of Candlestick Park. The Giants report that a) the stadium expansion of 1970 was exclusively for the accommodation of football; b) between 1970 and 1979, attendance in excess of pre-expansion capacity (approximately 42,500) occurred on only 15 occasions totaling only 118,526 tickets with total additional ticket sales from the expansion resulting in approximately \$511,600 of additional revenue; c) during this same time period (1970-79), the Giants generated approximately \$2,064,046 in Stadium Operator Admission Tax revenues. Since 1980, the Giants have exceeded pre-expansion capacity on 60 dates (10 of these dates were in the 1989 season which had total attendance of 2,370,126 including 310,297 for three playoff games and two World Series games).

4. Prior to 1977, exemptions from this Stadium Operator Tax had a minor impact on revenues and were primarily limited to tickets priced \$2.01 or less. From 1977 through 1987, the ticket prices to be exempt rose several times. During 1988 and 1989, the exemption was on tickets of \$12.99 or less for the first 42,500 paid admissions at each event. Tickets sold in excess of 42,500 at each event were subject to the \$0.50 tax. As previously noted, the proposed ordinance would extend the exemption from the \$0.50 tax for tickets at the increased price limit of \$17.99 or less for the first 42,500 paid admissions until December 31, 1993.

5. Actual revenues to the Candlestick Park Fund from the \$0.50 Stadium Operator Admission Tax from FY 1986-87 through FY 1991-92 have been as follows:

	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93****</u>
49ers	\$306,400	\$349,089	\$341,000	\$326,000	\$326,000	\$523,000
Giants	87,636*	11,094**	176,259***	22,262**	6,761**	740,000
Monsters of Rock						
Concert		<u>32,500</u>				
Total	<u>\$394,036</u>	<u>\$392,683</u>	<u>\$517,259</u>	<u>\$348,262</u>	<u>\$332,761</u>	<u>\$1,263,000</u>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

\* Reflects Admission Tax payments on playoff games which had ticket prices exceeding \$9.99.

\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game.

\*\*\* Reflects Admission Tax payments for those tickets sold for all seats in excess of 42,500 at each game and for playoff and World Series games which had ticket prices exceeding \$12.99.

\*\*\*\* Budgeted Amounts

6. Ticket prices for the Giants in 1992 were \$12.25 for a lower box, \$11.25 for an upper box, \$10.25 for a lower reserved seat, \$8.25 for an upper reserved seat, \$5.25 for a pavilion seat, and \$2.75 for a general admission seat.

7. The proposed exemption from the \$0.50 Stadium Operator Admission Tax would apply to tickets priced at \$17.99 or less rather than for tickets priced at \$12.99 or less as the 1992 exemption provided. According to Mr. Phil Arnold of the Recreation and Park Department, the proposed increase of ticket price Stadium Operator Admission Tax exemption from \$12.99 to \$17.99 is because the Giants intend to increase ticket prices for the 1993 baseball season. As of the writing of this report, the proposed ticket price increases have not been disclosed. However, because the proposed exemption is for tickets sold at \$17.99, it is reasonable to expect that the Giants' increased ticket prices for the 1993 season will not exceed \$17.99. Thus, all the tickets sold by the Giants, (excluding those tickets sold in excess of 42,500 per game, and excluding playoff and World Series tickets) which have a price of less than \$17.99, are exempt from the Stadium Operator Admission Tax. Ticket prices for the 49ers are \$35.75 for all seats in 1992. In accordance with a 1985 agreement between the City and the 49ers, luxury boxes are exempt from the Stadium Operator Admission Tax.

8. The projected amount of annual revenue in 1993 from the Stadium Operator Admission Tax, a) based on an exemption for all tickets sold at \$2.01 or less (which would result if this proposed ordinance were not approved), and b) based on an exemption for all tickets sold at \$17.99 or less (which would result if this proposed ordinance were approved), and c) based on budgeted and projected 1993 attendance figures, would be as follows:

Projected 1993 Stadium Operator Admission Tax Revenues

	If exemption of tax is on all tickets of \$2.01 or less (If proposed legislation is not approved)	If exemption of tax is on all tickets of \$17.99 or less for the first 42,500 paid admissions at each event (If proposed legislation is approved)	Estimated Additional Revenues to the City (If proposed legislation is not approved)
49ers	\$326,000	\$326,000	0
Giants	<u>875,000</u>	<u>6,761</u>	<u>\$868,239</u>
Total	\$1,201,000	\$332,761	\$868,239

Approval of the proposed legislation would result in an estimated loss of revenues to the City of \$868,239.

**Comment**

In May of 1992, the Board of Supervisors granted an exemption to the Stadium Operator Tax on all tickets of \$12.99 or less. When the Finance Committee passed this legislation out to the full Board of Supervisors, the Committee stated that this would be the last time that the exemption would be granted. Based on that stated intent, the Recreation and Park Department and the Controller's Office included \$700,000 in additional Stadium Operator Admission Tax revenue in the Recreation and Park Department's FY 1992-93 budget.<sup>1</sup> Thus, if the proposed exemption is granted, the Candlestick Park Fund would realize a shortfall of \$700,000 in budgeted revenue. In FY 1992-93 the Candlestick Park Fund had a surplus of approximately \$3.5 million which was budgeted as a transfer to the General Fund. In order to operate Candlestick Park at its current level, this \$3.5 million transfer to the General Fund would have to be reduced by \$700,000 in FY 1992-93. Therefore, if the proposed exemption is approved, an amount of \$700,000 less would be transferred from the Candlestick Park Fund to the General Fund. It should be noted that the proposed concessions to the Giants of approximately \$3.1 million annually (\$1.5 million in FY 1992-93) will also reduce the Candlestick Park Fund transfer to the General Fund by approximately \$1.5 million, thereby resulting in total reduced transfers to the General Fund of \$2.2 million (\$1.5 million plus \$700,000) in 1992-93, if the \$3.1 million of concessions are granted to the Giants and if this proposed exemption of the Stadium Operator Admission tax is approved.

<sup>1</sup>The Department budgeted \$700,000 in Stadium Operator Admission Tax revenue instead of \$868,239 which is the projected additional annual revenue from the Giants paying the Stadium Operator Admission Tax.



**Recommendation**

In May of 1992 the Finance Committee expressed its intent to not approve an exemption to the Stadium Operator Admission Tax in 1993 and the Recreation and Park Department and the Controller's Office included \$700,000 in revenues from the Stadium Operator Admission Tax to reflect that intent.

Approval of the proposed exemption is a policy matter for the Board of Supervisors. As stated above, such approval would result in a loss to the City's General Fund of \$700,000 for FY 1992-93.



Items 7 and 8 - Files 101-92-15 and 102-92-7

**Note:** These items were continued at the December 9, 1992 Finance Committee Meeting.

**Department:** Department of Public Health

**Items:** Item 7 - Supplemental appropriation ordinance (File 101-92-15) for permanent salaries, related mandatory fringe benefits, other contractual services, auto mileage, travel, training, other current services, telephone, materials and supplies, data/word processing equipment purchase/lease and reproduction.

Item 8 - Ordinance (File 102-92-7) to amend the Annual Salary Ordinance to create two new positions.

**Amount:** \$37,889

**Source of Funds:** New revenues generated by implementing Medical Waste Generator fees. No General Fund monies are required.

**Description:** The California Medical Waste Management Act of 1990 authorizes local agencies to establish a medical waste regulatory program. The Board of Supervisors previously approved an ordinance (File 118-92-8) to amend the San Francisco Health Code to provide for the Medical Waste Generator Program. Medical Waste is the discarded superfluous material from medical or veterinary agencies that may contain infectious disease organisms that may be a health threat to humans and animals. The Medical Waste Generator Program regulates the storage, treatment, transportation and disposal of medical waste within the City.

The proposed ordinances would create two new positions to operate the Medical Waste Generator Program and would fund those two new positions and related operating costs for the start-up of the Medical Waste Generator Program.

The proposed ordinance (File 102-92-7) to amend the 1992-93 Annual Salary Ordinance would create two new positions, as follows:

<u>Classification</u>	<u>Biweekly Salary Range</u>	<u>Annual Salary At Top Step</u>
6122 Senior Environmental Health Inspector	\$2,135-2,596	\$67,756
1446 Secretary II	1,158-1,401	36,566

For the balance of Fiscal Year 1992-93, the proposed new 6122 Senior Environmental Health Inspector position would be full-time beginning June 1, 1993 (2.2 biweekly pay periods-BWPP) and the proposed new 1446 Secretary II position would be half-time beginning January 1, 1993 (12.9 biweekly pay periods).

The proposed supplemental appropriation ordinance File 101-92-15) would fund the proposed two new positions and program operating costs for the period from January 1, through June 30, 1993 as follows:

Personnel

Permanent Salaries-Miscellaneous:

6122 Sr. Environmental Health Insp. (2.2 BWPP @ \$2,596)	\$5,711
1446 Secretary II (12.9 BWPP @ \$1,336 @ half-time)	8,617

Mandatory Fringe Benefits	<u>3,575</u>
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Subtotal-Personnel	\$17,903
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Operating Costs

Other Contractual Services	\$2,000
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The DPH currently contracts with the firm of American Environmental Management to perform emergency cleanup of hazardous materials on an as-needed basis. This contractor would also perform medical waste cleanups, as needed. The average cost of such incidents is \$750 and, on average, three such incidents will occur between 1/1/93 and 6/30/93.

Auto Mileage	300
Travel	250
Training	500

Other Current Services	\$4,975
Postage to mail medical waste packets to medical waste generators (\$3,100). Compliance pamphlets and guidebooks printing (\$1,750). Rental of pager for inspector (\$125).	
Telephone	300
Materials and Supplies	2,161
Office supplies (\$961) and computer supplies (\$1,200).	
Reproduction	<u>2,000</u>
Application packets, information documents and photographs and slides related to training and enforcement.	
Subtotal-Operating Costs	\$12,486
<u>Equipment</u>	
Data/Word Processing Equipment Purchase/Lease	<u>7,500</u>
One Personal Computer (PC) and related equipment and one laser printer	
<u>Total Proposed Supplemental Appropriation</u>	\$37,889

**Comments:**

1. The proposed funding for auto mileage is based on local travel costs of the Senior Environmental Health Inspector for a six-month period. Because the Senior Environmental Health Inspector will not be hired until June 1, 1993, only \$50 for one month of auto mileage is required for the Senior Environmental Health Inspector. However, the DPH requests that an additional \$100 be allowed for reimbursement of auto mileage of other, existing employees of the DPH hazardous waste program that will be performing medical waste program activities for the five-month period between the start of the program on January 1, 1993 and the hiring of the new Senior Environmental Health Inspector. Therefore, the proposed budget for auto mileage should be reduced by \$150 from \$300 to \$150.

2. The \$125 cost for the rental of a pager is also based on six months of use by the Senior Environmental Health Inspector. The \$125 should be reduced by \$105 from \$125 to \$20 for the five months between January 1 and May 31, 1993 before the Senior Environmental Health Inspector is hired.

3. The DPH reports that the Electronic Information Processing Steering Committee (EIPSC) has not yet approved the purchase of the computer equipment. Therefore, the proposed \$7,500 for Data/Word Processing Equipment Purchase/Lease should be reserved pending EIPSC approval.

**Recommendations:** 1. Amend the proposed supplemental appropriation ordinance (File 101-92-15) to reduce (a) the requested funding for Auto Mileage by \$150 from \$300 to \$150 as detailed in Comment 1, above and (b) the requested funding for Other Current Services by \$105 for pager rental from \$4,975 to \$4,870 as detailed in Comment 2, above.

2. Amend the proposed supplemental appropriation ordinance (File 101-92-15) to reserve \$7,500 for Data/Word Processing Equipment Purchase/Lease pending EIPSC approval.

3. Based on the previous Board of Supervisors approval of the Medical Waste Generator Program (File 118-92-8), approve the proposed supplemental appropriation ordinance (File 101-92-15), as amended, to fund the program for the balance of Fiscal Year 1992-93 and approve the proposed ordinance to amend the Annual Salary Ordinance (File 102-92-7) to create two new positions for the program.

Item 9 - File 265-92-1

**Note:** This item was transferred from the Economic and Social Policy Committee Meeting on December 8, 1992 because of its fiscal impact.

**Item:** Resolution declaring it to be the policy of the Board of Supervisors to foster the growth of the Interactive Media Industry in the San Francisco Bay Area and to take various actions in furtherance of the growth of this industry in the San Francisco Bay Area.

**Description:** Interactive Media provides information/entertainment services through the use of computers. The proposed resolution states that the San Francisco Bay area is currently the defacto capital of the developing Interactive Media industry because of the concentration of computer, video, writing and arts skills available in the Bay Area. Additionally, according to the resolution, the strategic economic importance of this industry is significant to San Francisco. All inclusive worldwide revenue for this industry is expected to be between \$25 and \$31 billion by the year 1995, according to the resolution.

The International Interactive Communications Society (IICS) was founded in San Francisco over nine years ago. This organization is composed of representatives from the business community, the educational community, government, computer hardware/software companies, and groups representing multimedia developers, book publishers, filmmakers, printers, graphic designers, musicians, and artists. The objectives of this organization include (1) developing an understanding of Interactive Media through educational institutions, (2) creating a Multimedia Showcase/Center where both public and private organizations can use Interactive Media, (3) integrating fiber optics (the transmission of light through transparent fibers for the transmission of data, communications, and images) into communication systems and (4) providing business assistance to the growing base of Interactive Media producers.

Local Interactive Media industry representatives, including the IICS, testified before the Finance Committee in hearings during March and April of 1992. The industry representatives advised the Finance Committee that the Interactive Media industry is a high growth industry and has a unique ability to create a large number of jobs.



According to the proposed resolution, the local individuals and companies that currently make up this industry are generally in their start-up phases and are therefore in need of resources to enhance their capabilities and allow them to reach their maximum potential. As such, the proposed resolution would provide that the Board of Supervisors undertake the following steps in support of this industry:

1. Work cooperatively with other public and private entities, public utilities, non-government organizations, State agencies and other city governments, in the San Francisco Bay Area.
2. Make it a City policy to encourage and assist the public and private educational institutions in San Francisco in establishing curricula and degree programs which will produce workers trained in the disciplines necessary to fuel this industry.
3. Consider zoning laws which would permit and encourage public utilities and private industry to build a lattice of high bandwidth telecommunications lines in sections of the City where high concentrations of interactive media developers and the supporting industries are expected ( i.e., the Financial District, South of Market, Mission Bay, Indian Basin and the Commercial Waterfront). According to the proposed resolution these telecommunications lines would provide a cost effective, state-of-the-art means for the Interactive Media industry to exchange video, audio, text, and graphic information, which is important to the high-performance functioning of the industry and related industries.
4. Have the City evaluate the use of Interactive Media by City employees for training purposes, as job aids and to provide information directly to citizens.
5. Evaluate the use of Interactive Media to provide public information to tourists, in the San Francisco Airport, BART and other locations where there are high concentrations of tourists.
6. Recommend that the City evaluate its participation in "electronic highways" (fiber optic network transmissions) initiatives.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



7. Declare that the City will participate in and assist in the funding of a San Francisco Bay Area Interactive Media industry umbrella organization. Composition of this organization would include City representatives, computer hardware and software interests, Interactive Media publishing interests, professional society representatives, telecommunications interests, liaisons to Pacific Rim and European communities and representatives from local educational institutions with multimedia curricula.

8. Declare that the City, in partnership with the aforementioned umbrella organization and the Interactive Media industry sponsors, will consider establishing, as well as assisting in the funding of an Interactive Media Center. The Center, which would serve as a focal point for the Interactive Media industry, would be used for the following functions: (1) a library of Interactive Media with a viewing area, (2) a meeting place for industry groups, (3) small conference areas and Interactive Media equipped presentation facilities, and office space for the IICS San Francisco Bay Area Chapter and/or the above noted local umbrella organization.

9. Urge the Mayor to allocate staff support from the Office of Economic Development to work with the proposed umbrella organization on implementing the various directives of the proposed resolution.

10. Urge the Mayor to identify any available funds within the existing Economic Development budget in the amount of \$15,000 to \$25,000 to be used for the development of a strategic plan for the establishment of the Interactive Media industry umbrella organization, the Interactive Media Center and the Interactive Media Festival.

11. Declare that the City should allocate monies from the Hotel Tax Fund to sponsor an international Interactive Media Festival modeled on the Cannes Film Festival. The purpose of this festival would be to showcase, judge and create a marketplace for Interactive Media.

**Comments:**

1. Mr. Ron Blatman of the Mayor's Office of Economic Planning and Development (MOEPD), reports that any support services that are provided to the Interactive Media industry umbrella organization would be absorbed by existing staff.

2. According to Mr. Kent Sims, Director of the Mayor's Office of Economic Planning and Development, MOEPD has committed staff expertise to aiding the development of San Francisco's Interactive Media industry and will continue to work with industry participants to facilitate industry growth in San Francisco, as well as assist them in identifying sources of support and organization models. However, Mr. Sims advises that the Mayor's Office does not have any discretionary funds available in FY 1992-93 to dedicate to the promotion of this industry. According to Mr. Sims, the Mayor's Office will however, attempt to identify specific projects for which the Mayor's Office could provide funding assistance in FY 1993-94 to help promote the development of the Interactive Media industry.

3. Mr. Blatman and Mr. Tim Boyle of the IICS advised that no definitive estimate has yet been made regarding the amount of City monies which might be allocated to fund the Interactive Media industry umbrella organization and the Interactive Media Center. Additionally, Mr. Blatman and Mr. Boyle advised that to their knowledge, no specific estimate has yet been made regarding either the amount of Hotel Tax monies which might be allocated to fund the international Interactive Media Festival or the amount of Hotel Tax monies which might be reallocated from existing organizations in order to provide Hotel Tax monies to the Interactive Media Festival.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Item 10 - File 100-92-9

**Note:** This item was continued at the December 2, 1992, Finance Committee meeting.

This item is a hearing to consider the City's efforts to secure anticipated revenues and fund transfers needed to balance the 1992-93 fiscal year budget for the City and County of San Francisco.

On October 27, 1992, a joint report was issued by the Mayor's Budget Office, the Controller and the Budget Analyst on the status of matters which are still pending action to balance the FY 1992-93 budget. These matters include the following items:

Airport Advance - (\$25 million): The Board of Supervisors approved a resolution authorizing an agreement between the City, the Airports Commission, and various airlines regarding advance payment to the City of \$25 million from the Airport's Capital Improvement Fund at its meeting of December 7, 1992.

PUC Equity Transfers and Land Sale - (\$7.2 million): The Board of Supervisors, at its meeting of December 7, 1992, approved equity transfers from the Water Department (\$4.7 million) including \$2.2 million from the proposed sale of the Water Department property to the Olympic Club and Hetch Hetchy (\$2.5 million).

Port Transfer - (\$1 million) The FY 1992-93 budget approved by the Board of Supervisors already includes the \$1 million transfer from the Port to the City's General Fund. The City Attorney is developing an opinion regarding the legality of such a transfer of funds. As of the writing of this report the City Attorney has not finalized this opinion.

The Controller has been requested by the Finance Committee to provide an update on the City's current revenues and expenditures projection.



Item 11 - File 161-92-5.1

**Note:** This item was continued at the December 9, 1992, Finance Committee meeting.

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Resolution approving an amendment to the Redevelopment Agency's FY 1992-93 budget.

**Description:** The proposed resolution would appropriate \$30,000 from a recent bond transaction fee paid to the SFRA to fund a personal services contract with a consultant to provide bilingual technical services to nonprofit organizations and 24th Street merchants as part of the 24th Street Revitalization Project.

Mr. Bob Gamble of the SFRA reports that the SFRA recently received \$81,000 from the Webster Tower and Terrace bond transaction. \$51,000 represents fees past due and \$30,000 represents new fees. The proposed resolution would approve an amendment to the SFRA's budget to appropriate \$30,000 of these revenues. The remaining \$51,000 has not yet been targeted for a specific purpose.

**Comments:** 1. As previously noted, the proposed budget amendment would appropriate \$30,000 in bond transaction fees. However, the body of the proposed resolution indicates that the proposed amendment to the SFRA's budget would permit a transfer of line items for the expenditure of \$30,000 for a personal services contract. As such, the proposed resolution should be amended to delete reference to "the transfer of line items" and replace it with "appropriate new revenues."

2. Mr. Leaman Abrams of the Redevelopment Agency reports that the SFRA has advertised for the proposed consultant position but has not yet selected a consultant. As such, the Budget Analyst recommends that the \$30,000 be placed on reserve pending selection of the consultant. Instead, the SFRA requests the proposed resolution be continued to the call of the Chair pending the SFRA's selection of a consultant.

**Recommendations:** 1. Amend the proposed resolution to delete reference to "transfer of line items" and replace with "appropriate new revenues" as described in Comment 1.

2. Continue the proposed resolution as amended to the call of the Chair pending the SFRA's selection of a consultant as described in Comment 2.



Item 12 - File 101-92-20

**Item:** This item is a hearing to consider the transfer of a portion of the Family Violence Project's funding to the Sheriff's Department.

1. The Family Violence Project originated in 1980 as a Federal demonstration grant project to enhance awareness and intervention against domestic violence by working to improve the prosecution of alleged batterers, providing assistance and counseling to women and children who have confronted domestic violence, training health workers, peace officers, and other professionals in responding to cases of domestic violence, and identifying gaps in service and working to correct them. At the time the Family Violence Project was established, it was located in the District Attorney's Office, in part because one of the authors of the Federal grant proposal was then the Director of the District Attorney's Victims Witness Assistance Bureau, which assists victims of all violent crimes, including domestic violence, in seeking compensation available from the State.

2. Beginning in approximately 1982, the Federal grant funds were augmented with City General Fund monies and private foundation grants. In approximately 1985, a non-profit agency was established under the name of the Family Violence Project, to administer a greater share of foundation grants and other private funding, and to expand advocacy, public education, and prevention efforts concerning domestic violence. In 1991, the non-profit agency changed its name from the Family Violence Project to the Family Violence Prevention Fund. The Family Violence Project now refers to the combined efforts of the Family Violence Prevention Fund and the domestic violence services in the District Attorney's Office.

3. In Fiscal Year 1992-93, the District Attorney's budget includes \$291,955 for the Family Violence Project. These funds are used to provide services at the Hall of Justice, including assistance and advocacy for victims of domestic violence, counseling in criminal justice procedures, assistance and referral in civil matters (such as restraining orders and divorce proceedings), policy and procedures development for the District Attorney's Office, Police Department, and San Francisco General Hospital, public conferences, training of health care providers in recognizing cases of domestic violence, and outreach to San Francisco residents, especially those at special risk of confronting domestic violence.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. According to Ms. Esta Soler, Executive Director of the Family Violence Prevention Fund, a proposal is being considered to transfer \$196,582 in funding for the Family Violence Project from the District Attorney's Office to the Sheriff's Department. Budgeted funds of \$95,373 would remain with the District Attorney. Ms. Soler states that the Sheriff would request approval of a Proposition J certification to award the transferred funds for a contract to the Family Violence Prevention Fund, as a non-profit agency, to provide continued public services concerning domestic violence.

Ms. Sue Martin of the Family Violence Project states that the intent of the proposed transfer of funds is to shift the advocacy, education, and prevention services of the Family Violence Project from the District Attorney's Office to the Family Violence Prevention Fund. Under the proposal, funding would continue in the District Attorney's budget for those activities which are specifically related to the prosecution of domestic violence complaints. Specifically, Ms. Martin states that funding would continue in the District Attorney's budget for assisting victims of domestic violence in understanding criminal justice procedures, obtaining "stay-away" orders, preparing for Court appearances, and other legal matters related to prosecution.

5. Ms. Martin states that most outside sources of funding for the outreach, education, and prevention activities of the Family Violence Project are now granted to the Family Violence Prevention Fund. In 1992-93, the San Francisco Commission on the Status of Women granted \$73,217 to the Family Violence Prevention Fund for such outreach and prevention activities. The total 1992-93 budget of the Family Violence Prevention Fund, including the \$73,217 allocated to the agency by the Commission on the Status of Women, is approximately \$860,000, according to Ms. Martin.

6. Of the \$291,955 appropriated to the District Attorney's Office in 1992-93 for the Family Violence Project, the following table shows the specific positions and the amount of funds proposed to be transferred to the Sheriff and to remain with the District Attorney's Office on an annual basis:

<u>Services to be Transferred to Sheriff</u>	<u>FTE</u>	<u>Amount</u>
8452 Criminal Justice Specialist II*	0.90	\$36,495
8452 Criminal Justice Specialist II**	0.80	38,028
8454 Criminal Justice Specialist III	0.20	10,627
Principal Clerk	1.00	38,622
Victim/Witness Investigator III	<u>0.40</u>	<u>15,808</u>
Subtotal	3.30	139,580
Fringe Benefits (29 percent)		40,472
* Funded through the District Attorney's Prosecution Section		
** This position is currently vacant		
Operating Expense		<u>16,530</u>
Subtotal: Proposed to be Transferred to Sheriff		\$196,582
<u>Services to Remain with District Attorney</u>	<u>FTE</u>	<u>Amount</u>
Victim & Witness Technician	0.60	\$19,771
Victim/Witness Investigator I	0.80	24,315
Victim/Witness Investigator II	0.80	33,254
Victim/Witness Investigator III	<u>0.20</u>	<u>7,904</u>
Subtotal	2.40	\$85,244
Fringe Benefits (11.9 percent)		<u>10,129</u>
Subtotal: Proposed to Remain with District Attorney		<u>95,373</u>
Total 1992-93 Family Violence Project Budget		\$291,955

The budget summary presented above does not reflect that the District Attorney's budget for the Family Violence Project includes \$8,949 in salary savings for 1992-93. The District Attorney's budget for the Domestic Violence Project also includes an Assistant Chief Victims/Witness Investigator and a Chief Victims/Witness Investigator at an annual cost of \$98,893, but these positions have not been filled, and the budget therefore also includes a salary adjustment of \$98,583 to deduct funds for these positions.

7. Ms. Martin has estimated that, of the \$291,955 budgeted for the Family Violence Project in the District Attorney's 1992-93 budget, \$95,373 is the budgeted cost of the prosecution-related services which are proposed to remain in the District Attorney's budget, and \$196,582 is the budgeted cost of the City-wide education and advocacy services which are proposed to be performed by the Family Violence Prevention

Fund under contract with the Sheriff's Department. The Budget Analyst will examine the appropriateness of these proposed allocations, including the amount which should be transferred based on the period remaining in the current fiscal year, if the Mayor approves a supplemental appropriation request for the transfer of funds from the District Attorney to the Sheriff's Department for the Family Violence Project.

8. Ms. Soler states that if the Family Violence Prevention Fund is awarded a Proposition J personal services contract by the Sheriff's Department using transferred funds, five Civil Service positions which are now included in the District Attorney's budget, would become employees of the non-profit agency, rather than the City. In addition, Ms. Soler states that the Family Violence Prevention Fund would employ student interns to provide services. Ms. Soler estimates that savings of approximately \$20,000 in salary costs would be realized in fiscal year 1993-94 if a Proposition J contract were awarded to the Family Violence Prevention Fund

Mr. Arnie Sowell of the Controller's Office states that any cost savings which could be realized under a Proposition J personal services contract to the Family Violence Prevention Fund have not yet been determined, since the Controller has not received the supplemental appropriation request from the Mayor's Office, which would be needed if funds were to be transferred from the District Attorney's Office to the Sheriff's Department to fund a proposed personal services contract.



Item 13 - File 97-92-63

**Note:** This item was continued at the December 9, 1992, Finance Committee meeting.

1. The proposed ordinance would amend the San Francisco Administrative Code by amending Section 10.117-68, which establishes and governs the maintenance of the Cable Television Access Development and Programming Fund, by providing for the balance of all funds remaining in the Fund at the close of each Fiscal Year to be carried forward and accumulated in said Fund.

2. The Cable Television Access Development and Programming Fund (CATV Fund) was established by the Board of Supervisors for the purpose of receiving 0.2 percent of the Franchise Fee from Viacom which was to be used for development of municipal, educational and public access to cable television and related programming. Section 10.117-68 currently provides that the balance of appropriated funds remaining in the CATV Fund at the close of each fiscal year shall be deemed to have been provided for a specific purpose and shall be carried forward and accumulated in the CATV Fund for the purposes for which the CATV Fund was established. Section 10.117-68 also provides that the balance of unappropriated funds remaining in the CATV Fund at the close of each fiscal year shall be transferred to the General Fund as franchise and permit fee revenue.

3. The proposed ordinance would delete the language in Section 10.117-68 that currently permits the transfer of the balance of unappropriated funds remaining in the CATV Fund at the close of each fiscal to the General Fund resulting in the requirement that all funds, either appropriated or unappropriated, be retained in the CATV Fund and carried forward to the next fiscal year. Therefore, transfers of unappropriated funds from the CATV Fund to the General Fund would not be automatic in the future and would instead require specific authorization by the Board of Supervisors.

**Comments**

1. Ms. Susan Maher of the Controller's Office reports that although the current provisions of Section 10.117-68 provide that the balance of unappropriated funds remaining in the CATV Fund at the close of each fiscal year shall be transferred to the General Fund, no such transfers have been made in the past, since the establishment of the CATV Fund in 1987.

2. At their meeting of October 27, 1992 the Administration and Oversight Committee held a hearing (File 100-92-2.1) to consider pending revisions to the appropriations of the Department of the Board of Supervisors totaling \$130,000 in reductions. The \$130,000 included a total of \$74,096 in reductions to Official Advertising (\$15,294), Reproduction (\$20,000), Mail Services (\$5,000), Data Word Processing Equipment Maintenance (\$3,000) and a reduction in the Budget Analyst's contract (\$30,802). The \$55,904 balance of the \$130,000 reduction (\$130,000 less \$74,096) was to be met by an \$8,208 increase in revenues and a transfer of funds from the CATV Fund of \$47,696.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. The Board of Supervisors adopted a motion requesting the Clerk of the Board of Supervisors to undertake the following to eliminate the \$82,304 budgetary shortfall (\$130,000 less the \$47,696 transfer from the CATV Fund) that otherwise would have required increased fees of \$8,208 and expenditure reductions totaling \$74,096:

A. Take all necessary steps to provide more flexibility to the Board of Supervisors to make use of a portion of the accumulated unspent resources in the CATV Fund without reducing current appropriations for educational access and public access.

B. Ask the Controller to prepare necessary revisions in the Board's 1992-93 budget to maintain the level of services from the Budget Analyst provided in the budget adopted in July 1992, and to restore appropriations to the Board's legal advertising, reproduction, and mail services accounts so that the public's right to be fully informed about proposed legislation will not be impaired, and to avoid imposing excessive fees on members of the public.

4. The Controller's Office is currently processing the transfer of \$47,696 from the CATV Fund. The CATV Fund would still have a balance of \$99,494 after effecting the transfer of \$47,696. An additional transfer of \$82,304 from the CATV Fund would still leave a CATV Fund unappropriated balance of \$17,190.

5. Mr. John Taylor, the Clerk of the Board of Supervisors, indicates that the proposed ordinance would clarify the Administrative Code regarding the CATV Fund year-end balance by deleting the language that requires the automatic transfer of the unappropriated balance of funds in the CATV Fund to the General Fund. Mr. Taylor states that upon adoption of the proposed ordinance, additional, legislation to transfer funds from the CATV Fund to the General Fund will be submitted for consideration by the Finance Committee and the full Board of Supervisors in order to eliminate the \$82,304 balance of budgetary reductions and fee increases to the Board's 1992-93 budget.

### **Recommendation**

Approve the proposed ordinance.



Item 14 - File 97-92-67

**Department:** Board of Supervisors

**Item:** Ordinance amending Administrative Code by adding Section 8.37 thereto, authorizing the Clerk of the Board of Supervisors to collect fees to defray the cost of mailing and providing copies of documents relating to the business of the Board of Supervisors.

**Description:** The proposed ordinance would allow the Clerk of the Board of Supervisors to charge and collect fees to defray the cost of the issuance of documents and services. The Budget Analyst's memo dated June 3, 1992, included recommendations on the amount of these fees based upon cost considerations and comparable fees charged by other California counties. Many of these recommended fees by the Budget Analyst have been incorporated into the proposed ordinance. The proposed ordinance does not specify whether these fees would be charged specifically to the public or whether the fees would also be charged to City departments.

The proposed fees and the projected revenues that would be generated by the proposed new fees (based on information gathered by the Clerk of the Board's Office on weekly activities provided to the public) are as follows:

<u>Item</u>	<u>Proposed Fee</u>	<u>Estimated Quantity</u>	<u>Estimated Annual Revenues</u>
Agenda-Meeting of the Board of Supervisors (weekly mailing, annual subscription)	\$120.00	70	\$8,400
Agenda-Finance Committee (weekly mailing, annual subscription)	70.00	500	35,000
Agenda-Legislative Committee Meetings (regular mailing, annual subscription)	35.00	1,500	52,500
Minutes-Meeting of the Board of Supervisors (annual subscription)	240.00	30	7,200
Minutes-Meeting of the Board of Supervisors (mailing, per copy)	3.00	100	300
Legislative packets-meeting of the Board of Supervisors (weekly mailing, annual subscription)	290.00	35	10,150

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<u>Item</u>	<u>Proposed Fee</u>	<u>Estimated Quantity</u>	<u>Estimated Annual Revenues</u>
Legislative packet-meeting of the Board of Supervisors (each set)	\$4.00	50	\$200
Appeal Filing Conditional Use Permit (per filing)	275.00	9	2,475
Late Filing-Application for Temporary Street Closure Denial (per filing)	120.00	60	7,200
Appeal Filing-Temporary Street Closure (per filing)	58.00	8	464
FAX Transmittal (per document)	1.75	300	525
Certification of Documents (per document)	1.75	360	630
Retrieving File of Board of Supervisors from Storage (each file)	6.00	1,250	<u>7,500</u>
<b>Total Estimated Annual Revenues</b>			<b>\$132,544</b>

**Comment:** Enterprise fund departments such as the Airport, Port and Hetch Hetchy, reimburse the General Fund for administrative costs through the City's Cost Allocation Plan. According to the State Government Code, general government costs, such as costs incurred by the Clerk of the Board, may not be recovered through the Cost Allocation Plan. The proposed ordinance would allow the Clerk of the Board to defray these costs which cannot currently be recovered under the City's Cost Allocation Plan. According to Mr. John Madden of the Controller's Office, the estimated \$132,544 in annual revenues would be treated as Board of Supervisors departmental revenues of the City's General Fund.

**Recommendation:** Approve the proposed ordinance.

Item 15 - File 28-92-12

**Note:** This item was continued at the December 9, 1992, Finance Committee meeting.

**Department:** Department of Public Works (DPW)

**Item:** Resolution authorizing the Director of DPW to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace the damaged sidewalks, driveways, tree basins, side sewer vents and fencing in areas of heavy pedestrian traffic.

**Amount:** \$27,309

**Source of Funds:** Defective Sidewalk Repair Revolving Fund

**Description:** The City Charter requires property owners to maintain sidewalks, driveways, tree basins, side sewer vents and fencing in front of and around their property. If there is a complaint to the DPW about a damaged sidewalk, the DPW notifies the appropriate property owner who in turn has 60 days to abate the problem. If the damage is not repaired within 60 days, the DPW conducts the necessary repairs and charges the property owner for the costs incurred. The funds used to conduct the necessary repairs comes from the Defective Sidewalk Repair Revolving Fund. When the property owners reimburse the City for the expenses to conduct the repairs, the monies are deposited into the Defective Sidewalk Repair Revolving Fund.

The DPW normally issues an annual contract to a private company to provide the repair services. However, the DPW has a backlog of approximately 2,300 damaged properties and has not selected a contractor for FY 1992-93. Thus, in accordance with Section 6.3 of the City's Administrative Code, the DPW has executed an emergency contract in the amount of \$27,309 with Tam L. Williams Concrete Contractors and Associates, a City certified WBE firm, to conduct emergency repairs to various damaged sidewalks, curbs, driveways, tree basins, side sewer vents and fencing.

**Recommendation:** Approve the proposed resolution.



Item 16 - File 114-92-7

**Note:** This item was transferred from the Economic and Social Policy Committee Meeting on December 8, 1992 because of its fiscal impact.

**Department:** Department of Public Works  
Bureau of Building Inspection

**Item:** Ordinance amending Part II, Chapter I, of the San Francisco Municipal Code (Building Code) by amending Section 104(b) to provide that where a building permit application is filed by a City department on or after January 1, 1992 to repair a City-owned building under the bond-funded Public Safety Improvement Projects, the building's existing electrical, plumbing, mechanical, fire protection or life-safety systems are not required to comply with this Building Code (a) if the system complies with the Code in effect at the time of its construction or installation, (b) if the system is safe to continue to operate, and (c) if the system is not relocated, altered for reuse, or expanded; adopting findings, including that it is in the public interest to use Public Safety Improvement Project Bond proceeds for earthquake hazard reductions rather than for the upgrading of building systems, as long as the existing systems, such as electrical systems, can be operated safely.

**Description:** Chapter I, Section 104 of the Building Code describes when previously constructed buildings must comply with current Building Code requirements. According to Chapter 104, if any system (such as an electrical, plumbing, mechanical, fire protection or life-safety systems) is removed during a construction project, even if it is replaced without alteration, that system must be upgraded to comply with the current Building Code.

In June 1990, the San Francisco electorate approved a proposition (\$332.4 million) to authorize the issuance of bonds to fund Earthquake Safety Programs, such as seismic upgrades. These bonds are known as the Public Safety Improvement Bonds. Seismic upgrades, asbestos abatement, and disability access upgrades might require the temporary removal of various building systems, including the electrical, plumbing, mechanical, fire protection or life-safety systems during construction. These systems may be replaced, unchanged, upon completion of construction.

In order to comply with the Building Code, the City must upgrade all systems which are removed during construction to



meet current Building Code standards. According to the proposed legislation, it is in the public interest to use the Public Safety Improvement Project bond proceeds for their principal purposes of earthquake hazard reduction, asbestos abatement and disability access, rather than for the upgrading of building systems, as long as the existing systems can be operated safely.

The proposed ordinance would amend the Building Code to exempt those City-owned building projects funded by the Public Safety Improvement Bonds from the current Building Code requirements regarding improvements for electrical, plumbing, mechanical, fire protection and life safety systems, providing that certain conditions are met. Specifically, in order to be exempted from the Code, the system must: (1) comply with the Code in effect at the time of its original construction or installation; (2) be safe to continue to operate in the opinion of the Superintendent of the Chief of the Bureau of Fire Prevention and Safety; and (3) not be relocated, altered for reuse or expanded.

**Comments:**

1. On June 13, 1992, the Board of Supervisors approved an ordinance amending Chapters 14 and 15 of the Building Code, pertaining to seismic retrofitting of private sector buildings, to require seismic strengthening of unreinforced masonry buildings (UMBs). San Francisco voters subsequently passed a maximum of a \$350 million bond proposal to fund these UMB seismic upgrading projects. That legislation provided that the seismic strengthening work would not require alteration of existing electrical, plumbing, mechanical, fire protection or life-safety systems which are in compliance with the code in effect at the time of their construction.

2. Under the \$332.4 million Earthquake Safety Program, the City is currently providing seismic upgrading to 23 buildings, including major Civic Center buildings such as City Hall and the War Memorial. These seismic upgrading costs are estimated at approximately \$204.8 million. The proposed ordinance would exempt those buildings which have or will file building permits on or after January 1, 1992 from the current Building Code requirements relating to electrical, plumbing, mechanical, fire protection and life safety upgrades, in accordance with the regulations cited above.

3. According to Mr. Tom Thornton of the Department of Public Works (DPW), the anticipated use of the Earthquake Safety Bond Program bond proceeds do not include costs to upgrade building systems. Although Mr. Thornton reports



that the DPW has not precisely estimated the additional cost to the City if all the building systems under the Earthquake Safety Program had to be upgraded, Mr. Thornton indicated that the costs would be substantial. Given that these substantial costs would affect the City's ability to meet the construction and seismic upgrading projects funded under the Earthquake Safety Program, with the potential of having to issue more bonds, the proposed ordinance was determined to have a fiscal impact.

**Recommendation:** Approve the proposed ordinance.



Item 17 File 51-92-3

**Note:** This item was continued at the December 2, 1992 Finance Committee meeting.

1. This item transmits 19 City employees' claims for reimbursement for personal property damaged and/or stolen in the line of duty for the three month period of July, August and September, 1992.

2. Section 10.25-1 of the San Francisco Administrative Code authorizes the Controller to provide reimbursement to City employees to recover part or all of the costs of replacing or repairing equipment or property which has been damaged or destroyed in the line of duty without the fault of the City employees. After reviewing the claim submitted, including the Department Head's certification that the damage occurred in the line of duty and that the amount certified for payment is fair and reasonable, the Controller makes a recommendation for reimbursement or denial of the claim.

3. Nineteen City employees submitted claims for reimbursement for the three month period of July, August and September, 1992. After reviewing the 19 claims submitted, the Controller's Office recommends the approval of seven claims in the total amount of \$2,071.08 and the denial of 12 claims. The Controller's listing of the claimants, amounts claimed, amounts recommended by the Controller's Office and the Controller's comments is attached.

**Comment**

The Controller's Office has certified that funds are available in the General Fund claims and judgements budget for reimbursement of the seven claims totaling \$2,071.08.

**Recommendation**

Prepare in and report out a resolution authorizing the reimbursement of seven employee claims in the total amount of \$2,071.08, as recommended by the Controller's Office.

Date: December 3, 1992

REIMBURSEMENT FOR DAMAGED OR STOLEN PERSONAL PROPERTY OF CITY EMPLOYEES

<u>Department Claimant</u>	<u>Amount Claimed</u>	<u>Amount Recommended</u>	<u>Controllers Comments</u>
<u>Public Health</u>			
Mark Freeman	487.90	487.90	Medical equipment stolen from auto required for work. No evidence of negligence.
Valerie Sroller	38.34	38.34	Damaged wearing apparel in course of job duties
Rickey L. Jackson	97.00	-0-	Deny. Loss not work related.
Frank Valdez Jr.	350.00	-0-	Deny. Auto not required for work.
Mary Jo Moore	190.00	190.00	Eyeglasses damaged in line of duty.
Anna Grajeda	50.00	-0-	Deny. Not required for performance of job.
Marie A. Hitchcock	1,589.59	1,000.00	Not technically an employee claim, however City liable for damage. Approve i n s u r a n c e deductible.
Marcella Holzman	209.55	-0-	Deny. No City liability.
Mary Murphy	180.00	100.00	Allow insurance deductible.
Alice Heimsath	118.00	-0-	Deny. Items not required for performance of job.

ne Clark	879.95	-0-	Deny. Items not required for performance of job.
 <u>King &amp; Traffic</u>			
hard Garkus	185.84	185.84	Stolen tools covered by MOU.
ey M. Huang	?	-0-	Deny. Auto not required for job. Claim already denied by City Attorney.
 <u>vor</u>			
cilyn Sue Lee	524.00	69.00	Allow calculator. Personal items not required for work.
 <u>ter Department</u>			
na K. Kinna	1,000.00	-0-	Deny. Items nor
quired for work.			
 <u>creation and Park</u>			
tricia A. Cull	82.93	-0-	Department Head disapproved.
mes Payne	50.00	-0-	Department Head disapproved.
ystal K.D. Huie	50.42	-0-	Deny. No department head approval.
 <u>municipal Railway</u>			
lton Gee	395.73	-0-	Auto not required for job. Possible retribution for discipline.





Item 18 - File 64-92-24.1

**Departments:** Real Estate  
Mayor's Office of Children, Youth and their Families

**Item:** Resolution authorizing an amendment to an existing lease of real property.

**Location:** Suite 260, 10 United Nations Plaza

**Purpose of Lease:** Office space for the Mayor's Office of Children, Youth and their Families.

**Lessor:** Ten United Nations Plaza Associates

**Description:** In November, 1991 the electorate approved Proposition J to amend the San Francisco Charter to create the San Francisco Children's Fund to be expended exclusively to provide services for children, above and beyond services already funded in the City's budget. The Mayor's Office of Children, Youth and their Families, established to administer the Children's Fund, currently occupies space on the second floor of Ten United Nations Plaza under a four year lease that began on October 1, 1992 and will end on September 30, 1996.

Details of the current lease for this space and the proposed amendment to the lease are as follows:

	<u>Current Lease</u>	<u>Proposed Amendment</u>	<u>Lease As Amended</u>
Square Feet (approximately)	1,500	1,251	2,751
Monthly Rent	\$1,875	\$1,553.75	\$3,428.75
Annual Rent	\$22,500	\$18,645	\$41,145
Cost Per Sq. Ft. Per Month	\$1.25	\$1.25	\$1.25

When the current lease for space was approved, the Mayor's Office of Children, Youth and their Families had a staff of ten full-time employees. After subtracting 200 square feet occupied by a conference room from the approximately 1,500 square feet currently leased, each of the ten full-time employees on average occupied a workspace of approximately 130 square feet.

The Mayor's Office of Children, Youth and their Families currently has a staff of 12 full-time employees and three student interns that together require a thirteenth workspace. Two additional full-time employees will be added on January 1, 1993 and more employees will be added in the next six months in order to administer the selection and operations of additional community based operators of children's services. Based on 15 workspaces (12 full-time employees, a single workspace for the three interns and two new full-time employees as of January 1, 1993) and after subtracting 200 square feet for the current conference room and 150 square feet for a second conference room included in the proposed additional space, the total 2,751 square feet of space, on average, would provide approximately 160 square feet per workspace. This average will decrease as more employees are hired.

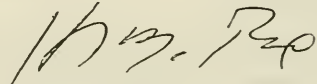
The proposed lease amendment would become effective on January 1, 1992 or as soon as the lessor completes tenant improvements and shall end on September 30, 1996, approximately a three year and nine month period. Tenant improvements include installation of partitions between offices, painting and improvements to restrooms to accommodate handicapped employees. The costs of these improvements will be borne by the lessor.

**Comments:**

1. Monthly rent includes gas, electricity, water, scavenger and janitorial utility costs.
2. The current lease began on October 1, 1992. However, the Mayor's Office of Children, Youth and their Families has occupied the currently leased space and some of the proposed space since July 1, 1992. Rent for the 1,500 square feet of space currently leased was on a month-to-month basis between July 1, and October 1, 1992. There was no charge for the overflow portion of the proposed space that was occupied between July 1, and October 1, 1992.
3. Prior to July 1, 1992, the single position of the Mayor's Office of Children, Youth and their Families occupied space in the Mayor's Office of Community Development offices at 10 United Nations Plaza on a temporary basis until the creation of the San Francisco Children's Fund that funds the Mayor's Office of Children, Youth and their Families programs.
4. The Real Estate Department reports that the fair market value of space at Ten United Nations Plaza is \$1.25 per square foot per month.

5. The Real Estate Department indicates that rent for the first five months of the proposed lease amendment will be free because the lessor will realize a savings by not having to construct a permanent fire wall to separate the space that the Mayor's Office of Children, Youth and their Families currently occupies from the space that would have been occupied by another tenant, but is now proposed as additional space for the Mayor's Office of Children, Youth and their Families.

**Recommendation:** Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Ted Lakey



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2

CALENDAR - *Actions Taken*

SPECIAL MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

MONDAY, DECEMBER 21, 1992 - 10:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

DOCUMENTS DEPT

DEC 22 1992

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PUBLIC LIBRARY

1. File 101-92-17. [Government Funding] Ordinance appropriating \$471,335, District Attorney, for permanent salaries, related mandatory fringe benefits (for weekend rebooking services). (Supervisor Gonzalez)  
  
ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$438,295, District Attorney, for permanent salaries, related mandatory fringe benefits (for weekend rebooking services)."
2. File 101-92-18. [Government Funding] Ordinance appropriating \$106,826, Municipal Court, for permanent salaries, related mandatory fringe benefits and professional services (jail overcrowding). (Supervisor Gonzalez)  
  
ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$106,826, Municipal Court, for permanent salaries, related mandatory fringe benefits and professional services (jail overcrowding); placing \$60,000 on reserve."
3. File 102-92-8. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Municipal Court, reflecting the addition of one position (Classification 0215 Bail Commissioner); companion measure to File 101-92-18. (Civil Service Commission)  
  
ACTION: Recommended.
4. File 101-92-19. [Government Funding] Ordinance appropriating \$4,515,011, Sheriff, for permanent salaries, related mandatory fringe benefits, subsistence, materials and supplies, and services of other departments (jail overcrowding). (Supervisor Gonzalez)  
  
ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$3,954,879, Sheriff, for permanent salaries, related mandatory fringe benefits, subsistence, materials and supplies, and services of other departments (jail overcrowding); providing for ratification of action previously taken; and providing for 90-day reporting requirement."
5. File 102-92-9. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Sheriff's Office, reflecting the addition of twenty-four positions (Classifications 8304 L, Deputy Sheriff (20), 8306 L, Senior Deputy Sheriff (2) and 8274 L, Police Cadet (2); companion measure to File 101-92-19. (Civil Service Commission)  
  
ACTION: Recommended.





CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

December 18, 1992

**TO:** Finance Committee  
**FROM:** Budget Analyst  
**SUBJECT:** December 21, 1992 Special Finance Committee Meeting

Items 1 - Files 101-92-17

**Department:** District Attorney

**Item:** Supplemental appropriation ordinance for permanent salaries and related mandatory fringe benefits.

**Amount:** \$471,335

**Source of Funds:** General Fund General Reserve

**Description:** The District Attorney is requesting funding to pay for additional personnel for weekend rebooking services. These services have been made available to the Police Department since 1988, but, according to the District Attorney, such services can no longer be provided with existing personnel due to budget cuts and related staff shortages. Weekend rebooking services consist of a review by the District Attorney's Office of all felony arrests, in custody misdemeanor arrests and urgent requests for arrest warrants in order to determine if charges should be filed.

The supplemental appropriation ordinance would allow the District Attorney to hire five additional positions to accomplish weekend rebooking services as follows:

<u>Add</u>	<u>Position</u>	<u>Biweekly Salary Range</u>	<u>Annual Salary at Top Step</u>
3	8180 Principal Attorney	\$3,093-\$3,760	\$98,136
1	1460 Legal Secretary II	1,491-1,809	47,215
<u>1</u>	8146 Investigator	1,666-2,023	52,800
5	Total		

The District Attorney has provided the following budget of the proposed supplemental appropriation which covers the period July 1, 1992 through June 30, 1993:

<u>Description</u>	<u>Amount</u>
<u>Personnel</u>	
Permanent Salaries-Miscellaneous:	
3 8180 Principal Attorneys, Step V	\$294,408
1 1460 Legal Secretary II, Step V	47,215
1 8146 Investigator, Step V	<u>52,800</u>
Salary Subtotal	\$394,423
Mandatory Fringe Benefits	<u>76,912</u>
Total Personnel Costs	\$471,335

The District Attorney advises that the 1992-93 approved budget, which required excessive salary savings imposed by the Mayor, and other budget reductions, resulted in the elimination of weekend rebookings except through voluntary overtime of attorneys. The District Attorney concludes that the use of voluntary overtime to continue the activity of weekend rebookings is no longer feasible, because the compensatory time off (one hour off for each hour spent, according to the District Attorney's Office) adds to the Department's current staff shortages, including the Department's decision to furlough staff attorneys and investigators for eight working days without pay.

Effective November 9, 1992, the District Attorney had advised the then Acting Chief of Police that the District Attorney's daytime Felony Intake Unit will only process cases from 8:30 a.m. to 5:00 p.m. Monday through Friday and custody rebookings from 10:00 a.m. to 4:00 p.m. on Sundays, and will be closed on Saturdays and all holidays given the anticipated number of cases expected on Sundays.

**Comments:**

1. The District Attorney advises that \$293,000 was appropriated in 1988-89 to hire three 8180 Principal Attorneys, 1 Legal Secretary II and 1 Investigator to initiate weekend booking services. However, in the following fiscal year, the deletion of 6 staff positions in the Prosecution Division (3 8176 Trial Attorneys and 5 Investigators) jeopardized the continuation of weekend rebooking services that had been initiated during the previous fiscal year, although the District Attorney continued to provide these services through voluntary overtime and personnel reassignments.

2. For the District Attorney's Prosecution Division, salary savings went from \$839,841 for 1991-92 fiscal year to \$1,092,130 for the 1992-93 fiscal year, a \$252,289 increase, representing a 30 percent increase. Such salary savings were imposed in the Mayor's Budget for FY 1992-93.

3. Ms. Bridget Bane of the District Attorney's Office reports that weekend rebookings during the 17 month period July, 1991 through November, 1992 resulted in the release of 2,713 prisoners from the San Francisco Jails as follows:

<u>Period</u>	<u>Total Releases</u>	<u>Total Weekends</u>	<u>Average Number of Prisoner Releases Per Weekend</u>
July 1991 - December 1991	640	26	24.62
January 1992 - June 1992	1,055	26	40.58
July 1992 - November 1992	<u>1,018</u>	<u>22</u>	46.27
Total	2,713	74	36.66

4. A comparison of early jail releases associated with the District Attorney's weekend rebooking activity and average daily jail overcrowding for the 17 month period between July, 1991 and November of 1992 indicates that early jail releases, resulting from the District Attorney's rebooking services, reduces overcrowding by a consistent percentage of between approximately 8 to 9 percent of the total average daily overcrowding in the City jails, as follows:

<u>Period</u>	<u>Average Daily Jail Overcrowding</u>	<u>Average No. of Weekend Releases From D.A. Rebooking Services</u>	<u>Percent Releases of Total Overcrowding</u>
July 1991 - December 1991	287	24.62	8.58
January 1992 - June 1992	500	40.58	8.12
July 1992 - November 1992	561	46.27	8.27

5. The District Attorney advises that the \$471,335 request to hire five new positions would in effect be used to offset the budgeted amount of salary savings in the current 1992-93 budget from 8.9 percent to 5.0 percent of total salaries in the District Attorney's Prosecution Division as follows:

District Attorney's (DA) Prosecution Division FY 1992-93 Budget

	Total Budgeted Salaries	Salary Savings	Percent of Total
DA Prosecution Division	\$12,222,765	\$1,092,130	8.9
Less: This Supplemental to Reduce Salary Savings		<u>471,335</u>	<u>3.9</u>
Revised Salary Savings		\$620,795	5.0

6. The Family Violence Project is currently included in the District Attorney's 1992-93 budget. At their meeting of December 16, 1992, the Finance Committee reported out a supplemental appropriation ordinance (File 101-92-20) that would transfer some of the Family Violence Project functions from the District Attorney's Office to the Sheriff's Office. That supplemental appropriation ordinance will be considered by the Board of Supervisors on December 21, 1992. If that request is approved by the Board of Supervisors, the \$83,277 remaining in the District Attorney's budget that is currently designated for the Family Violence Project functions, that would be transferred to the Sheriff's Office, should be used as a funding source for the proposed supplemental appropriation request to provide weekend rebooking services in the District Attorney's Office. To effect this change, the proposed supplemental appropriation should be amended to reduce the funding from the General Fund General Reserve by \$83,277 from \$471,335 to \$388,058 and to insert an additional entry to transfer the \$83,277 currently budgeted in the District Attorney's Family Violence Project to the District Attorney's Prosecution Division budget. The District Attorney's Office states that the Mayor's Office has advised them that the \$83,277 should remain in the District Attorney's Family Violence Project budget and would not be available for transfer to the Prosecution Division. The Budget Analyst believes that leaving the \$83,277 in the District Attorney's Family Violence Project budget would be inconsistent with the Finance Committee's intention to transfer these Family Violence Project functions to the Sheriff.

**Recommendation:** Reduce the proposed supplemental appropriation ordinance by \$83,277 from \$471,335 to \$388,058.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 21, 1992

Items 2 and 3 - Files 101-92-18 and 102-92-8

**Department:** Municipal Court

**Item:** Item 2 - Supplemental appropriation ordinance (File 101-92-18) for permanent salaries, related mandatory fringe benefits and professional services.

Item 3 - Ordinance (File 102-92-8) to amend the Annual Salary Ordinance to create one new position.

**Amount:** \$106,826

**Source of Funds:** General Fund - General Reserve

**Description:** The Municipal Court is proposing two actions to help ease the jail overcrowding that has resulted in the City being assessed \$2.9 million in contempt fines by the Federal Court. The Municipal Court is proposing to hire a Bail Commissioner for a six month pilot project to determine what affect a Bail Commissioner position would have on reducing jail overcrowding.

The Municipal Court is also proposing to spend \$60,000 on a professional services contract with a criminal justice consulting firm that has expertise in evaluating pretrial alternatives to jail sentences.

The proposed ordinance (File 102-92-8) to amend the 1992-93 Annual Salary Ordinance would create one new limited term position as follows:

<u>Classification</u>	<u>Monthly Salary</u>	<u>Annual Salary</u>
0215 L Bail Commissioner	\$6,423	\$77,076

The proposed Supplemental Appropriation Ordinance (File 101-92-18) would fund the proposed new position and professional services contract for the period January 1, 1993 through June 30, 1993 as follows:

Personnel

0215 L Bail Commissioner	\$38,540
Mandatory Fringe Benefits	<u>8,286</u>
Subtotal -Personnel	\$46,826
Professional Services	<u>60,000</u>
Total Proposed Supplemental Appropriation	\$106,826

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Comments:**

1. In November 1992, the Board of Supervisors approved a resolution declaring the intent of the Board to establish a Bail Commissioner position for the Municipal Court (File 198-92-3). The proposed Bail Commissioner position would be a limited term (L) six month position. During this period, the Municipal Court would operate a six month pilot project to determine the impact of the new Bail Commissioner position on reductions in jail overcrowding. If the Bail Commissioner has an impact in reducing jail overcrowding, the Municipal Court would request that the position be made permanent in the 1993-94 budget.

2. When the Board of Supervisors approved the resolution declaring intent to establish the Bail Commissioner position in November 1992, the new position was intended to be funded out of the General Fund Litigation Reserve which was established to meet the terms of the Jail Overcrowding Consent Decree. However, because the Sheriff has requested a separate supplemental appropriation of approximately \$4.5 million (see File 101-92-19 Item 4 of this report), from the Litigation Reserve account, the source of funds for the proposed Bail Commissioner position is now the General Fund - General Reserve.

3. As noted above, the Municipal Court also proposes to spend \$60,000 to hire a criminal justice consulting firm that is an expert in evaluating pretrial alternatives to jail sentences. At this time, the Municipal Court has not yet selected a contractor and, therefore, information is not available on the MBE/WBE/LBE status of the contractor or the contract details and the hourly rates of the contractor. Further, the Municipal Court has applied for a \$20,000 grant from the National Institute of Corrections (NIC) for an assessment of pretrial procedures, including a review of alternative pretrial release options, and an assessment of the impact of the Bail Commissioner Pilot Project. This \$20,000 grant, if received, is intended to partially offset the proposed \$60,000 expenditure for professional services. The proposed supplemental appropriation ordinance (File 101-92-18) should be amended to place the \$60,000 on reserve pending the selection of the contractor and submission of detailed contract cost data and pending receipt of the NIC grant.

4. The proposed supplemental appropriation ordinance (File 101-92-18) includes \$8,286 for mandatory fringe benefits for the 0215 Bail Commissioner position. However, since the proposed position is a temporary L position lasting only six months, no fringe benefits would be paid for this position.



Memo to Finance Committee  
December 21, 1992

Therefore, the proposed supplemental appropriation ordinance should be amended to reduce Mandatory Fringe Benefits by \$8,286 from \$8,286 to \$0.

- Recommendations:**
1. Amend the proposed supplemental appropriation ordinance (File 101-92-18) to reserve \$60,000 for Professional Services pending the selection of the contractor, contract cost details, hourly rates, MBE/WBE status of the contractor and status of the pending NIC grant.
  2. Amend the proposed supplemental appropriation ordinance (File 101-92-18) to reduce Mandatory Fringe benefits by \$8,286 from \$8,286 to \$0.
  3. Approve the proposed ordinance (File 101-92-18) as amended.
  4. Approve the proposed amendment to the Annual Salary Ordinance (File 102-92-8).



Items 4 and 5 - Files 101-92-19 and 102-92-9

**Department:** Sheriff

**Items:** Item 4 - Supplemental appropriation ordinance (File 101-92-19) for permanent salaries, related mandatory fringe benefits, subsistence, materials and supplies, and services of other departments.

Item 5 - Ordinance (File 102-92-9) to amend the Annual Salary Ordinance to create 24 new positions.

**Amount:** \$4,515,011

**Source of Funds:** General Fund Litigation Reserve

**Description:** On October 15, 1992 the Federal Court imposed fines on the City for jail overcrowding based on \$300 per prisoner per day for total cumulative fines of \$3,829,700 for the eleven month period from January through November, 1992. A description of these fines and the average daily overcrowding of prisoners are as follows:

<u>Period</u>	<u>Amount of Fines</u>	<u>Number of Days</u>	<u>Average Daily Overcrowding</u>
January - August	\$2,953,100	244	40.34
September	161,000	30	17.89
October	268,000	31	28.82
November *	<u>447,600</u>	<u>30</u>	49.73
Total	<u>\$3,829,700</u>	<u>335</u>	

\* Preliminary estimate, to be verified by U.S. Court Special Master.

The \$3,829,700 in fines paid by the City to the Federal Court was put into a special escrow account by the Federal Court. Mr. James Harrigan of the Sheriff's Office reports that a portion of monies in the special escrow account may be returned to the City to help alleviate jail overcrowding.

The fines, however, only represent the overcrowding of prisoners at one of the four City Jails (County Jail No. 1) and do not reflect total jail overcrowding in the City. According to data provided by the Sheriff on daily prisoner counts since July 1992, between 480 and 632 prisoners daily, excluding weekends and holidays, exceed the total City's jail capacity of 1,652. If the Federal Court were to assess fines on the total excess prisoner populations at all four of the City's jails, the

daily fine could be between \$144,000 and \$189,600 based on 480 and 632 prisoners respectively.

In order to alleviate the overcrowding in the City's jails, the Sheriff proposes the additional new staff to transport prisoners from the City's jails to Alameda County jails (the City has a previously approved contract with Alameda County to purchase beds at Alameda County's jails). The Sheriff is also proposing two new programs, the Contract Bed Coordination Program and the Residential Bed Placement Screening Unit, to mitigate overcrowding.

The proposed ordinance (File 102-92-9) to amend the 1992-93 Annual Salary Ordinance would create 24 new positions including 19 new positions to transport prisoners to and from the Alameda County Jail, and 5 new positions to establish two special units to assist in placing prisoners in alternative programs including Home Detention, Sheriff's Work Alternative Program (SWAP), Work Furlough, County Parole and residential programs, as follows:

No.	Classification	Biweekly Salary Range	Annual Salary At Top Step
<u>Expansion of the Use of Alameda County Jail</u>			
1	8306 Senior Deputy Sheriff	\$1,580-1,918	\$50,060
18	8304 Deputy Sheriff	1,429-1,731	45,179
<u>Contract Bed Coordination</u>			
1	8306 Senior Deputy Sheriff	1,580-1,918	50,060
1	8274 Police Cadet	822-822	21,454
<u>Residential Bed Placement Screening Unit</u>			
2	8304 Deputy Sheriff	1,429-1,731	45,179
<u>1</u> 24	8274 Police Cadet	822-822	21,454

The proposed supplemental appropriation ordinance (File 101-92-19) would fund the proposed 24 new positions for six months from 1/93 to 6/93, subsistence costs for 12 months and other costs as follows:

Personnel

Permanent Salaries-Miscellaneous:

1	8306 Senior Deputy Sheriff (12.8 BWPP @ \$1,827)	\$23,386
18	8304 Deputy Sheriff (12.8 BWPP @ \$1,499)	345,370
1	8306 Senior Deputy Sheriff (13 BWPP @ \$1,827)*	23,751
2	8304 Deputy Sheriff (13 BWPP @ \$1,499)*	38,974
2	8274 Police Cadet (13 BWPP @ \$822)*	21,372
Mandatory Fringe Benefits		49,099

Subtotal-Personnel (24) \$ 501,952

\* The Sheriff is requesting two additional workdays or 13.0 BWPP total.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Finance Committee  
December 21, 1992

Subsistence Costs

• Payment for Current Beds at Alameda Jail	\$921,891	
• Expanded Use of Walden House, (Alternative Housing) 20 beds x \$60 per day x 273 days	327,600	
• Expanded Use of Milestones Housing (Alternative Housing) 25 beds x \$45 per day x 273 days	307,125	
• Expanded Use of Alameda Jail (Additional Floor) 121 beds x \$63.10 per day x 181 days	1,381,953	
• Residential Community Placement Beds 100 beds x \$55 per day x 180 days	<u>990,000</u>	
Subtotal- Subsistence		3,928,569

Other Costs

Uniforms (\$1,710 x 19 personnel)*	32,490	
Safety Supplies	10,000	
Building Repair (Sallyport Security)	<u>42,000</u>	
Subtotal-Other Costs		<u>84,490</u>

Total \$4,515,011

\* see explanation below under other costs

Expand the Use of Alameda County Jail

The proposed staffing (18 Deputy Sheriffs and 1 Senior Deputy Sheriff) to expand the use of Alameda County Jail is based on a 5 day work week of 12 hours each day or a total of 60 hours per week. Therefore, 18 full time (40 hours per week) Deputy Sheriff positions are required in order to have 12 Deputy Sheriff positions on duty at all times. A Senior Deputy Sheriff will supervise this operation. The distribution of 12 Deputy Sheriff and 1 Senior Deputy Sheriff positions would be as follows:

County Jail #2: 2 Deputy Sheriff positions to process and house additional prisoners going to and from the Alameda County Jail; 2 Deputy Sheriff positions to identify, classify and screen prisoners and to select eligible prisoners for San Bruno and Alameda, prepare paperwork and act as a liaison with medical and psychology staff; 1 Deputy Sheriff position to cover increased holding cell area for prisoners being transported to and from Alameda County Jail and San Bruno Jails (total of 5 Deputy Sheriff positions).

County Jail #3: 2 Deputy Sheriff positions to process prisoners coming from Alameda County Jail back to San Bruno Jail. Processing includes strip searches, property searches of personal belongings and related paperwork; 1 Deputy Sheriff position to identify, classify and screen and to select prisoners scheduled for movement and to prepare necessary paperwork (total of 3 Deputy Sheriff positions).

BOARD OF SUPERVISORS  
BUDGET ANALYST

Transport of Prisoners between Jail Facilities and Courts: 4 Deputy Sheriff positions and 1 Senior Deputy Sheriff position to transport all prisoners between the Hall of Justice, San Bruno and Alameda which includes court appearances including court appearances resulting in a bail release, special transports pursuant to court order and weekend transports from Alameda to the Hall of Justice for interviews by the Public Defender's staff (total of 4 Deputy Sheriff positions and 1 Senior Deputy Sheriff position).

#### Contract Bed Coordination

The proposed staffing (1 Senior Deputy Sheriff position and 1 Police Cadet) would insure optimal use of various residential placements, track and report success and failure rates to the Sheriff, Courts and other interested parties, evaluate effectiveness of residential treatment programs, recommend improvements to the programs, mediate contract disputes and monitor contract compliance and seek out other appropriate placements and act as a liaison with other residential treatment programs.

#### Residential Bed Placement Screening Unit

The proposed staffing (2 Deputy Sheriff positions and 1 Police Cadet) would create a Classification Screening Unit to systematically identify, classify and individually screen all sentenced and unsentenced prisoners for alternative program placement. Classification and screening of each prisoner includes obtaining current offense status, criminal and personal history and current personal characteristics and problems. Individual interviews with prisoners will be required. Officers will coordinate the transfer of eligible prisoners from the county jail to Home Detention, Sheriff's Work Alternative Program (SWAP), Work Furlough, County Parole, Residential Treatment Programs and other appropriate placements.

#### Payment of Current Beds at Alameda Jail

The proposed supplemental appropriation includes costs already incurred for the housing of prisoners at Alameda Jail because the Sheriff's 1992-93 budget is not sufficient to meet the increased need for beds to avoid overcrowding. The proposed supplemental appropriation also includes future costs to be incurred for the housing of prisoners at Alameda Jail through June 30, 1993. The Sheriff is paying for 230 beds beginning June 26, 1992 and 240 beds from October 23, 1992



through June 30, 1993. A distribution of these costs are as follows:

Payment for Current Beds at Alameda Jail includes:

Overage costs for 5 days during FY 1991-92 (230 beds x 63.10 per bed per day x 5 days)	72,565	
Difference FY 1992-93, 230 actual beds vs. 200 budgeted beds, (30 beds x 63.10 x 365 days)	690,945	
Add 10 beds (from 230 to 240 total beds) beginning 10/23/92 (10 beds x 63.10 x 251 days)	<u>158,381</u>	
Subtotal		\$921,891

The Sheriff is paying for 230 beds beginning June 26, 1992 and 240 beds beginning October 23, 1992. Costs totaling \$460,000 (\$72,565 + \$344,526 + \$42,909) of the proposed \$921,891 that have been expended prior to December 30, 1992 should be approved retroactively as indicated herewith:

<u>Subsistence Cost Categories</u>	<u>Period 7/1/92-12/29/92</u>	<u>Period 12/30/92 - 6/30/93</u>	<u>Total</u>
Overage Costs for Five Days during FY 1991-92	\$72,565	\$ 0	\$72,565
Difference between 230 Actual Beds and 200 Budgeted Beds	344,526	346,419	690,945
Additional 10 Beds increasing Total Beds from 230 to 240 Beds	<u>42,909</u>	<u>115,472</u>	<u>158,381</u>
Totals	\$460,000	\$461,891	\$921,891

#### Expanded Use of Walden House

The proposed supplemental appropriation provides for increasing the number of residential treatment beds to 20 beds per day from October 1, 1992 through June 30, 1993 for a total cost of \$327,600 (20 beds x 60.00 per bed per day x 273 days) of which \$108,000 was expended prior to December 30, 1992 and therefore should be approved retroactively.

#### Expanded Use of Milestones Housing

The proposed supplemental appropriation provides for continuing the use of 25 residential treatment beds per day from October 1, 1992 through June 30, 1993 for a total cost of \$307,125 (25 beds x 45.00 per bed per day x 273 days) of which \$101,250 was expended prior to December 30, 1992 and therefore should be approved retroactively.

Expanded Use of Alameda Jail (Additional Floor)

The proposed supplemental appropriation provides for an additional 121 beds per day at Alameda Jail to alleviate jail overcrowding in San Francisco. The proposed funding of \$1,381,953 (121 beds x 63.10 per bed per day x 181 days) would use the additional beds from January 1, 1993 through June 30, 1993 (see Comment 1).

Residential Community Placement Beds

The Sheriff proposes to use Residential Community Placement Beds for Pre-Trial detainees and sentenced prisoners for the six month period, January through June 1993. The average daily cost for a contracted bed is \$55.00. The Sheriff estimates that between 75 to 100 beds are available which can be filled within a ninety day period for a total cost of \$990,000 (100 beds x 55.00 per bed per day x 180 days, see Comment 2).

Other Costs

The proposed supplemental appropriation includes \$32,490 for uniforms including Class A, B and C uniforms (A - special events, B - for use as court bailiffs and C - jump suit for custody work at the jails), plus gun, gun holster, speed loader, belt handcuff with case, mace container with holder, two batons (26 and 36 inch lengths), bullet proof vest and flashlight with holder. Because the cost of the uniforms in the amount of \$32,490 is for only 19 additional personnel (19 x \$1,710) as identified in the proposed legislation, the Sheriff will be required to identify funding for an additional \$8,550 (5 x \$1,710) for the remaining five personnel to be added by the subject legislation from other resources.

The proposed supplemental appropriation includes \$10,000 for safety equipment to transport prisoners between the jails, the Courts and Alameda County Jail. The safety equipment includes handcuffs, belly chains, leg irons and braces and other restraint gear need for prisoner transportation.

The proposed supplemental appropriation includes \$42,000 for building improvements at County Jail #3 to improve Sallyport Security at County Jail #3 (San Bruno) to facilitate rapid and safe transport of as many as 300 prisoners per day.

Memo to Finance Committee  
December 21, 1992

**Comments:**

1. In reviewing the proposed expanded use of Alameda Jail with the Budget Analyst, the Sheriff indicates that more lead time is required to add 121 beds at the Alameda Jail. Revising the starting date from January 1, 1993 to January 23, 1993 as recommended by the Sheriff, results in a reduced need in the subsistence activity cost of \$167,972 from \$1,381,953 to \$1,213,981 (121 beds x 63.10 per bed per day x 22 days).

2. The Sheriff also concurs with the Budget Analyst, that, since new personnel cannot be hired before December 29, 1992, the Residential Community Placement Beds cannot begin and be fully operational for at least 30 days. Under these circumstances the Sheriff concurs that the subsistence portion of this program cannot begin until 2/1/93 including 100 beds on that date to be distributed between two or more community providers. Therefore the cost of this activity should be reduced \$165,000 from \$990,000 to \$825,000 (100 beds x 55.00 x 150 days).

3. A summary of the above recommended revisions (Comments 1 and 2) to the Subsistence budget of the proposed supplemental appropriation is as follows:

<u>Category</u>	<u>Original</u>	<u>Proposed Revision</u>	<u>Budget Analyst's Recommended Reductions</u>
Additional Floor at Alameda Jail	\$1,381,953	\$1,213,981	\$167,972
Residential Community Placement Beds	<u>990,000</u>	<u>825,000</u>	<u>165,000</u>
<b>Total</b>	<b>\$2,371,953*</b>	<b>\$2,038,981</b>	<b>\$332,972</b>

\* Total requested Subsistence Costs equal \$3,928,569.

4. A summary of the subsistence cost to be approved retroactively as detailed in the above description of the proposed supplemental appropriation is as follows:

<u>Subsistence Cost Categories</u>	<u>Amount to be Approved Retroactively</u>
Payment of Current Beds at Alameda Jail	\$460,000
Expanded Use of Walden House	108,000
Expanded Use of Milestones Housing	<u>101,250</u>
<b>Total</b>	<b>\$669,250</b>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

5. According to Mr. John Madden of the Controller's Office, the General Fund Litigation Reserve Fund includes an amount of \$4,500,000 which has been set aside for the purpose of mitigating jail overcrowding. The current balance in this Fund, excluding this \$4,500,000, is \$5,300,000 which Mr. Madden advises is committed to the payment of several individual claims against the City that are currently pending. If the Board of Supervisors accepts the Budget Analyst's recommended reductions of \$332,972 (Comment 3) to the proposed supplemental appropriation, the set-aside of \$4,500,000 for mitigating jail overcrowding in the General Fund Litigation Reserve would have a balance of \$317,961 for other eligible costs as follows:

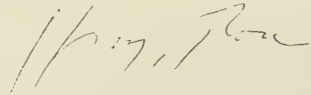
Set Aside in General Fund Litigation Reserve for Jail Overcrowding	\$4,500,000
Supplemental Appropriation (subject of this request)	\$4,515,011
Less: Budget Analyst's Recommended Reductions	<u>332,972</u>
	<u>4,182,039</u>
Balance of Set-aside for Jail Overcrowding	\$ 317,961

6. The proposed supplemental would provide for 49,794 prisoner days (506 total beds) at either Alameda County Jail (361 total beds) or in alternative residential housing facilities (145 total beds) as of December 30, 1992 or as indicated for a later starting date. If the situation were such that all of these beds were needed but not available, the Federal Court could fine the City a total of \$14,938,200 (49,794 prisoner days x \$300 per day fine).

**Recommendations:** 1. Amend the proposed supplemental appropriation ordinance (File 101-92-19) to reduce funding for Subsistence Costs by \$332,972 from \$3,928,569 to \$3,595,597 as detailed in Comment Nos. 1, 2 and 3 above. Further, amend the proposed supplemental appropriation ordinance by approving \$669,250 of the amended \$3,595,597 in Subsistence Costs retroactively as detailed in Comment 4 above. Approve the proposed supplemental appropriation ordinance as amended.

Memo to Finance Committee  
December 21, 1992

2. Approve the proposed ordinance (File 102-92-9) to amend  
the Annual Salary Ordinance.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Ted Lakey





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BOARD of SUPERVISORS



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DECEMBER 16, 1992

NOTICE OF CANCELLED MEETING

FINANCE COMMITTEE

*Calendar*

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Finance Committee for Wednesday, December 23, 1992, at 2:00 p.m., has been cancelled.

The next regular meeting of the Finance Committee will be held on Wednesday, December 30 1992, at 2:00 p.m., in the Room 228, City Hall.

Please note that the Finance Committee will hold a special meeting on Monday, December 21, 1992, at 10:00 a.m., in Room 228, City Hall.

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
ROOM 235, CITY HALL  
SAN FRANCISCO, CA 94102

IMPORTANT  
HEARING NOTICE

**C A L E N D A R**  
**SPECIAL MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO**

MONDAY, DECEMBER 21, 1992 - 10:00 A.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, MIGDEN, HALLINAN

CLERK: GAIL JOHNSON

1. File 101-92-17. [Government Funding] Ordinance appropriating \$471,335, District Attorney, for permanent salaries, related mandatory fringe benefits (for weekend rebooking services). (Supervisor Gonzalez)

ACTION:

2. File 101-92-18. [Government Funding] Ordinance appropriating \$106,826, Municipal Court, for permanent salaries, related mandatory fringe benefits and professional services (jail overcrowding). (Supervisor Gonzalez)

ACTION:

3. File 102-92-8. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Municipal Court, reflecting the addition of one position (Classification 0215 L Bail Commissioner); companion measure to File 101-92-18. (Civil Service Commission)

ACTION:

4. File 101-92-19. [Government Funding] Ordinance appropriating \$4,515,011, Sheriff, for permanent salaries, related mandatory fringe benefits, subsistence, materials and supplies, and services of other departments (jail overcrowding). (Supervisor Gonzalez)

ACTION:

5. File 102-92-9. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Sheriff's Office, reflecting the addition of twenty-four positions (Classifications 8304 L, Deputy Sheriff (20), 8306 L, Senior Deputy Sheriff (2) and 8274 L, Police Cadet (2); companion measure to File 101-92-19. (Civil Service Commission)

ACTION:

54  
90.25  
12  
1/30/92  
C.2

CALENDAR - Actions Taken

MEETING OF  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, DECEMBER 30, 1992 - 2:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ AND HALLINAN

ABSENT: SUPERVISOR MIGDEN

CLERK: GAIL JOHNSON

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m., the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.
- (a) File 28-92-13. [Airport Administration] Resolution approving a declaration of emergency, emergency repairs, power distribution system, plot 7 and vicinity, Airport Contract No. 3201, San Francisco International Airport - \$220,000. (Airports Commission)

ACTION: Amended on lines 4 and 19 by replacing "\$220,000.00" with "\$161,650.24". Recommended as amended. New title: "Approving a declaration of emergency, emergency repairs, power distribution system, plot 7 and vicinity, Airport Contract No. 3201, San Francisco International Airport - \$161,650.24." (To Board as a Committee Report for consideration on January 4, 1993.)

DOCUMENTS DEPT.

JAN 4 1993

SAN FRANCISCO  
PUBLIC LIBRARY

- (b) File 147-92-7. [Grant – State Funds] Resolution authorizing the San Francisco Public Library to apply for, accept and expend funds not to exceed \$65,528 available through the California State Library from Title I of the Library Services and Construction Act for Major Urban Resource Libraries for Fiscal Year 1992/93. (Public Library)

ACTION: Amended on page 1, lines 2 and 20, after "expend", by adding "retroactively". Further amended on page 1, at the end of line 5, by adding "waiving indirect costs". Recommended as amended. New title: "Authorizing the San Francisco Public Library to apply for, accept and expend, retroactively, funds not to exceed \$65,528 available through the California State Library from Title I of the Library Services and Construction Act for Major Urban Resource Libraries for Fiscal Year 1992/93; waiving indirect costs." (To Board as a Committee Report for consideration on January 4, 1993.)

- (c) File 147-92-8. [Grant – Private Corporate Funds] Resolution authorizing the City Librarian to apply for equipment valued at \$405,416.85 available from the Corporate Contributions Committee of Digital Equipment Corporation for creating the AIDS Library/Information Network; waiving indirect costs. (Public Library)

ACTION: Continued to January 13, 1993, meeting.

- (d) File 101-90-121.3. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission, Water Department's 1991 Series-A Revenue Bond, in the of amount 10.5 million, for the San Andreas Pipeline No. 3 Relining Project. (Public Utilities Commission)

ACTION: Hearing held. Release of \$6 million recommended. Filed.

### REGULAR CALENDAR

2. File 69-92-1. [Supplemental Appropriation Request] Motion directing the Clerk of the Board to submit to his Honor, the Mayor, a request that the Mayor submit a supplemental appropriation of \$30,802 to the Board of Supervisors for services of the Budget Analyst, using funds which have accumulated in the Cable Television Access and Development Fund. (Supervisor Hallinan)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

3. File 97-92-40. [Veterans Affairs Officer] Ordinance amending Administrative Code by adding Section 5.108.A to establish a County Veteran Service Officer within the Office of the Chief Administrative Officer. (Supervisor Gonzalez)  
(Transferred from City Services Committee 9/15/92 – Fiscal Impact)  
(Cont'd from 10/7/92)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

4. File 197-92-5. [Cultural Affairs Task Force Implementation Committee] Ordinance constituting the Cultural Affairs Task Force Final Report Committee as the task force's implementation committee, with the addition of the Chief Administrative Officer or his representative, for the purpose of developing a legislative proposal for the creation of a Cultural Equity Endowment Fund Program and for the purpose of developing proposals to implement other recommendations of the Cultural Affairs Task Force final report. (Supervisor Hallinan)  
(Cont'd from 12/16/92)

ACTION: Amendment of the Whole, as presented by Supervisor Hallinan, adopted. Recommended as amended. New title: "Constituting the Cultural Affairs Task Force Final Report Committee as the task force's implementation committee, provided that the Chief Administrative Officer or his representative and the Director of Cultural Affairs or her representative shall serve ex officio without vote, for the purpose of developing a legislative proposal for the creation of a Cultural Equity Endowment Fund Program and for the purpose of developing proposals to implement other recommendations of the Cultural Affairs Task Force final report." (Add Supervisor Gonzalez as co-sponsor.) (To Board as a Committee Report for consideration on January 4, 1993.)

5. File 127-92-11. [Hotel Tax] Ordinance amending the San Francisco Municipal Code, Part III, Section 515 to create a Cultural Equity Endowment Fund by reducing the percentage of the Hotel Tax allocated to the Moscone Convention Center, Brooks Hall, Civic Auditorium, Convention and Visitors Bureau, War Memorial, Publicity and Advertising Fund, and Nonrecurring Events Fund and by capturing a percentage of the General Fund, and to provide that at such time as Hotel Tax funds are no longer necessary for Candlestick Park as set forth herein, a portion of such funds be allocated to the Chief Administrative Officer for certain publicity and advertising purposes. (Supervisor Hallinan)  
(Cont'd from 12/16/92)

ACTION: Amendment of the Whole bearing same title (as presented by Supervisor Hallinan) adopted. Amended on page 1, line 10, by deleting "certain". Further amended on page 1, at the end of line 11, by adding "for the arts". Recommended as amended. New title: "Amending the San Francisco Municipal Code, Part III, Section 515 to create a Cultural Equity Endowment Fund by reducing the percentage of the Hotel Tax allocated to the Moscone Convention Center, Brooks Hall, Civic Auditorium, Convention and Visitors Bureau, War Memorial, Publicity and Advertising Fund, and Nonrecurring Events Fund and by capturing a percentage of the General Fund, and to provide that at such time as Hotel Tax funds are no longer necessary for Candlestick Park as set forth herein, a portion of such funds be allocated to the Chief Administrative Officer for publicity and advertising purposes for the arts." (Add Supervisor Gonzalez as co-sponsor.) (To Board as a Committee Report for consideration on January 4, 1993.)



6. File 127-92-10. [Fictitious Business Name Filing Requirement] Ordinance amending Part III, Municipal Code, by adding Section 75.1 to require persons filing a statement of fictitious business name pursuant to California Business and Professions Code Section 17900 et seq. to provide proof of compliance, including payment of all appropriate license fees, with all applicable sections of Article 2 of Part III of the Municipal Code. (Supervisor Kennedy)  
(Cont'd from 12/9/92)

ACTION: Continued to January 13, 1993, meeting.

7. File 101-92-23. [Government Funding] Ordinance appropriating \$1,400,000, San Francisco General Hospital, for capital improvement project (Ward 14 and 15 renovation). (Supervisor Gonzalez)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$1,400,000, San Francisco General Hospital, for capital improvement project (Ward 14 and 15 renovation); placing \$1,140,000 on reserve."

8. File 101-92-24. [Government Funding] Ordinance appropriating \$379,000, San Francisco General Hospital, for capital improvement project (AIDS ward renovation). (Supervisor Gonzalez)

ACTION: Amended. (See file for details.) Recommended as amended. New title: "Appropriating \$379,000, San Francisco General Hospital, for capital improvement project (AIDS ward renovation); placing \$292,435 on reserve." (To Board as a Committee Report for consideration on January 4, 1993.)

9. File 101-92-28. [Government Funding] Ordinance appropriating \$10,128,907, Department of Public Health, General Fund, medical revenues (SB 855), transfer to other funds, San Francisco General Hospital, other current services (SB 855). RO #92124 (Controller)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

10. File 65-92-11. [Lease of Property] Ordinance authorizing and approving lease of City-owned property at 1800 Oakdale Avenue (southeast Community Facility, northwest corner of Phelps Street and Oakdale Avenue) to the San Francisco Community College District. (Real Estate Department)  
(Cont'd from 11/4/92)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

11. File 62-92-3. [Coit Tower Facility Lease] Ordinance approving a five-year lease with Frederick Lo for management and operation of the Coit Tower Facility in San Francisco, California. (Recreation and Park Department)

ACTION: Continued to January 13, 1993, meeting.



12. File 62-92-4. [Airport – Concession Lease] Ordinance approving "Boarding Area "E" Principal Concession Retail Lease" between the Delstar Group and the City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

13. File 65-92-20. [Termination of Lease Agreement] Ordinance approving termination of lease agreement between Continental Grain Company and the City and County of San Francisco, operating by and through the San Francisco Port Commission for use of the space at Pier 90 Grain Terminal. (Port)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

14. File 97-92-70. [Public Health Contracts] Ordinance amending Administrative Code by adding Section 19A.32 to permit the Department of Public Health to enter into indemnification agreements with the Metropolitan Transportation Commission enabling the Department of Public Health to participate in the Homeless Outreach study at Transbay Transit Terminal. (Department of Public Health)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

15. File 101-92-21. [Government Funding] Ordinance appropriating \$524,636, Department of Social Services, for permanent salaries and related mandatory fringe benefits and day care assistance. RO #92100 (Controller)

ACTION: Continued to January 13, 1993, meeting.

16. File 101-92-22. [Government Funding] Ordinance appropriating \$206,729, Public Administrator, for various purposes, for the creation of four positions; companion measure to File 102-92-4. RO #92029 (Controller)

ACTION: Amendment of the Whole (as presented by the Controller) adopted. Recommended as amended. New title: "Appropriating \$131,240, Public Administrator, for various purposes, for the creation of four positions." (To Board as a Committee Report for consideration on January 4, 1993.)

17. File 102-92-4. [Public Employment] Ordinance Amending Annual Salary Ordinance, 1992-93, Office of the Public Administrator/Guardian, reflecting the addition of four positions (Classifications 1446 Secretary II (1) 4230 Estate Investigator (2) and 4231 Senior Estate Investigator (1). (Civil Service Commission)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

18. File 101-92-25. [Government Funding] Ordinance appropriating \$60,265, Rent Board, for permanent salaries; and rescinding \$60,265 in permanent salaries appropriations; companion measure to File 102-92-10. RO #92127 (Controller)

ACTION: Amended on lines 4, 13, 14 and 15 by replacing "\$60,265" with "\$23,460". Recommended as amended. New title: "Appropriating \$23,460, Rent Board, for permanent salaries; and rescinding \$23,460 in permanent salaries appropriations."

19. File 102-92-10. [Public Employment] Ordinance amending Annual Salary Ordinance, 1992-93, Rent Arbitration Board, reflecting the addition of one position (Classification AA44 N Senior Hearing Officer). (Civil Service Commission)

ACTION: Recommended.

20. File 97-92-4. [Sale of Health Materials] Ordinance amending the San Francisco Administrative Code by adding Section 8.35 to authorize the Director of Public Health to sell health-related materials and establishing a fund for revenues derived from such sales. (Supervisor Alioto)

(Transferred from City Services Committee 12/15/92 - Fiscal Impact)

ACTION: Continued to January 13, 1993, meeting.

21. File 172-92-20. [Indemnification Agreement] Resolution authorizing an indemnity provision in the agreement between the City and County of San Francisco and the County of San Mateo. (Public Utilities Commission)

ACTION: Recommended. (To Board as a Committee Report for consideration on January 4, 1993.)

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

December 28, 1992

**TO:** Finance Committee  
**FROM:** Budget Analyst  
**SUBJECT:** December 30, 1992 Finance Committee Meeting

Item 1a - File 28-92-13

**Item:** Resolution approving a declaration of emergency and emergency repairs for the power distribution system, Plot 7 and vicinity, San Francisco International Airport.

**Amount:** \$220,000

**Source of Funds:** Airport Utilities Maintenance Fund

**Description:** The Airport reports that on October 22, 1992 a failure occurred in the electrical power distribution system which supplies electricity to four hangar buildings located at the Airport's Plot 7. The failure of the power distribution system caused a power outage to the four hangar buildings, which are occupied by Butler Aviation, American Airlines, and Qantas Airlines. On December 1, 1992 the Airports Commission declared an emergency concerning the failure of this power distribution system.

In accordance with Section 6.30 of the Administrative Code, the Airport initiated an expedited contracting procedure to repair the power distribution system. The Airport selected

the firm of Cresci Electric, a WBE firm certified by the Human Rights Commission, to repair the power distribution system (see Comment No. 2 below).

The proposed resolution would approve the Airport's declaration of emergency and the emergency repairs for the power distribution system, at an estimated cost of \$220,000.

**Comments:**

1. On October 23, 1992, the Airport estimated that the repairs to the power distribution system would cost \$150,000. Mr. Angel Camerino, an Electrical Engineer for the Airport, reports that, after further inspection of the damage to the power distribution system, the cost estimate was increased to \$220,000. However, Mr. Camerino reports that the actual cost of the completed repairs was \$161,650.24. Therefore, the proposed resolution should be amended to reflect that the actual cost of repairs was \$161,650.24, rather than the estimated \$220,000.

2. Mr. Camerino states that the power distribution system which failed consists of electrical transmission cables which are situated in underground pipes, and switching equipment and transformers which control the supply of electricity to individual buildings. Mr. Camerino states that the equipment which failed was more than 45 years old and had exceeded its useful life. Mr. Camerino states that the equipment had been targeted for replacement by the Airport, but he was not aware of the specific date when it would have been repaired through normal maintenance operations.

The unanticipated conditions which resulted in an increase in the estimated repair cost from \$150,000 to \$220,000 included the collapse of an underground pipe carrying electrical cable, which required that the cable be re-routed, instead of only being replaced in its existing location.

3. Mr. Camerino states that the Airport consulted the Human Rights Commission's listing of MBE/WBE firms and interviewed the firm of Cresci Electric, a WBE firm, before selecting this firm to perform the services. Cresci Electric had previously performed services for the Airport, according to Mr. Camerino.

4. Mr. Camerino states that electricity was restored to three of the four hangar buildings which lost power within three to four days, and that all repairs were completed on approximately October 31, 1992, ten days after the failure

occurred. While the repairs were being made, the Airport supplied electricity to the hangar buildings using standby electrical generators.

- Recommendations:** 1. Amend the title and body of the proposed resolution, at line 4 and line 19, by substituting "\$161,650.24" for "\$220,000."
2. Approve the proposed resolution, as amended.





Item 1b - File 147-92-7

**Department:** San Francisco Public Library

**Item:** Resolution authorizing the Public Library to apply for, accept and expend Federal funds for Major Urban Resource Libraries for fiscal year 1992-93.

**Grant Amount:** \$65,528

**Grant Period:** October 1, 1992 through September 30, 1993

**Source of Funds:** Title I of the Library Services and Construction Act (LCSA), administered through the State Library

**Project:** Major Urban Resource Libraries (MURL)

**Description:** The San Francisco Public Library was designated as a Major Urban Resource Library (MURL) in 1984 and has received MURL Federal grant funds since that time. In compliance with the guidelines of the MURL grant program, the Public Library chose to specialize in the areas of business and science, since these materials go out of date quickly and continue to increase in cost, and has designed a Regional Area Collection Development Plan to address the information needs of both children and adults interested in these particular fields.

The San Francisco Public Library would use the Federal grant funds to expand its collection of books in the fields of business, science and technology. In addition, the proposed grant funds would be used to purchase books in Asian languages, Russian and Spanish to meet the needs of the growing immigrant populations in the Bay Area.

**Budget:**

<u>Main Library</u>	
Business/Science Department of the Main Library	\$28,500
Includes Regional business directories, trade catalogs, business services	
General Circulating Library of the Main Library	8,120
Includes Vietnamese, Chinese, and Spanish language	
<u>Children's Services</u>	
Vietnamese	2,000
Japanese	1,000
Spanish	2,000
Chinese	3,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Branch Libraries

Chinatown Branch - Chinese language	\$9,908
Mission Branch - Spanish language	6,000
Richmond Branch - Russian language	2,500
Western Addition Branch - Japanese language	<u>2,500</u>

Total Proposed Grant Funds \$65,528

**Required Match:** None.

**Indirect Costs:** None.

**Comments:** 1. As noted above, the proposed grant period began on October 1, 1992. Ms. Nancy Musser of the Public Library reports that these proposed funds have been applied for, accepted and expended during November, 1992, but due to a departmental oversight, the Public Library has not previously requested the Board of Supervisors authorization to apply for, accept and expend the proposed grant funds. Therefore, the proposed resolution should be amended to authorize the Public Library to apply for, accept and expend the proposed grant funds retroactively.

2. The State does not allow the proposed grant funds to be used for indirect costs. Therefore, the title of the proposed resolution should be amended to indicate that indirect costs are waived for the proposed grant funds.

3. According to Ms. Musser, any cataloguing costs which would be incurred as a result of purchasing books with the proposed grant funds would be absorbed within the Public Library's existing budget.

4. The Disability Access Checklist is in the file.

5. Attached is the Summary of Grant Request form.

**Recommendations:** 1. Amend the proposed resolution to authorize the Public Library to apply for, accept and expend the proposed grant funds retroactively.

2. Amend the proposed resolution to indicate that indirect costs are waived for the proposed grant funds.

3. Approve the proposed resolution as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: Library

Contact Person: Nancy Musser Telephone: 557-4330

Project Title: MURL (Major Urban Resource Libraries)

Grant Source: LSCA Funds awarded through the State Library (Library Services and Construction Act)

Proposed (New / Continuation) Grant Project Summary:

The library applies for and receives MURL funds annually. They are used entirely for the purchase of library materials:

Books in the fields of business, science, and technology, materials that go out of date quickly and continue to increase in cost.

Books in Asian languages, Russian and Spanish to meet the needs of the Bay Area's growing immigrant populations.

Amount of Grant Funding Applied for: \$65,528

Maximum Funding Amount Available: \$65,528

Required Matching Funds: none

Number of Positions Created and Funded: none

Amount to be Spent on Contractual Services: none

Will Contractual Services be put out to Bid? no

Term of Grant: October 1, 1992 - Sept. 30, 1993

Date Department Notified of Available funds: June 1, 1992

Application Due Date: July 31, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

The MURL funds are to be used for the development of collections of regional as well as local value.

The funds are paid to the library in a lump sum in the fall to be expended-according to the plan submitted-by October 30 of the following year.

Kenneth E. Duer  
Department Head Approval

Item 1c - File 147-92-8

**Department:** Public Library

**Item:** Resolution authorizing the City Librarian to apply for a donation of equipment valued at \$405,416.85 available from the Corporate Contributions Committee of Digital Equipment Corporation for creating the AIDS Library/Information Network; waiving indirect costs.

**Project:** AIDS Library Information Network

**Description:** The proposed resolution would authorize the Public Library to apply for a donation of equipment, valued at \$405,416.85, donated by the Corporate Contributions Committee of Digital Equipment Corporation. The equipment would likely be donated by June, 1993.

The proposed equipment donation would be used in the new Main Library and branch libraries to create an AIDS/HIV information database that will include AIDS/HIV service provider profiles. Specifically the proposed equipment donation would be used as follows:

- establishment of a centrally maintained information and referral database;
- coordination of efforts by numerous AIDS service agencies;
- replacement of multiple paper-based information and referral systems;
- reduction in duplicated efforts by AIDS service agencies;
- expanded points of access for important AIDS information and referral systems;
- expanded points of access for important AIDS information and referrals;
- improvement in the quality and uniformity of vital information.

As the AIDS epidemic has grown, funding has not kept pace with a widening need for information. The proposed equipment would be used to assist AIDS service agencies in meeting a growing demand in spite of often diminishing resources by vastly improving efficiency and establishing alternative sources for this information.

Digital Equipment Corporation (DEC) would provide computer hardware and software to establish the AIDS/HIV information database, with a total value of \$405,416.85. DEC would contribute 75 percent of the cost of the equipment, or \$304,062.64, and the City and several AIDS/HIV related non-

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



profit agencies would provide 25 percent of the cost of the equipment as matching funds to DEC, or \$101,354.21 for the equipment donation.

Although the equipment donation would be made to the City, non-profit agencies which work in the areas of AIDS/HIV would also receive a portion of the total equipment donations. A breakdown of the equipment allocation is as follows:

<b>Budget:</b>	<u>Agency</u>	<u>Equipment Value</u>
	San Francisco Public Library	\$34,544.00
	San Francisco AIDS Foundation	140,339.00
	AIDS Service Providers Association	45,183.00
	Life Center	45,183.00
	Other Agencies	<u>48,200.00</u>
	Total Equipment Purchases	\$313,449.00
	Installation and Warranties	<u>91,967.85</u>
	<b>Total Equipment</b>	<b>\$405,416.85</b>

**Required Match:** 25 percent of the total estimated costs of \$405,416.85, which would result in a total required match of \$101,354.21 for the City and the non-profit agencies. The City's portion of the required match would be \$11,148.96 (See Comment #2). The City's required match of \$11,148.96 consists of the City's pro-rated share of the equipment (\$8,619.84) and the installation and warranties (\$2,529.12).

**Indirect Costs:** None. The Public Library is requesting that indirect costs be waived for the proposed grant funds.

**Comments:** 1. The Public Library has an existing master agreement with DEC for the implementation of an automated card catalog system for the new Main Library and its branches. Under this master agreement, the City receives an estimated 21 percent discount on equipment. The total value of \$405,416.85 of the equipment which would be donated to the City, and which includes \$101,354.21 in 25 percent matching funds from the City and non-profit agencies, already includes this discount.

2. As noted above, the proposed grant requires that the City and the non-profit agencies to provide a 25 percent match of the costs, and Digital Equipment Corporation (DEC) would pay for 75 percent of the equipment costs, including installation and warranties. The total required match for the City would be \$11,148.96. The remaining \$90,205.25 of the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



total required matching funds of \$101,354.21 would be funded by the non-profit agencies.

3. The source of funds for the City's portion of the matching funds has not yet been identified. According to Mr. Ed McBride of the Public Library, the City is currently requesting DEC to waive this required match. If DEC does not waive this required match, Mr. McBride reports that the Library Foundation of San Francisco has indicated that the required match may be funded through private donations. However, the Public Library has not yet received any written assurance from either DEC or from the Library Foundation regarding whether this required match would be waived, or whether it could be funded through private donations.

4. The proposed equipment donation includes a three year warranty, beginning in FY 1992-93 and ending in FY 1994-95. The projected annual maintenance costs, which would begin in FY 95-96, for the City and the non-profit agencies are as follows:

	Projected Annual Maintenance Costs
<u>Agency</u>	
SF Public Library	\$1,950
SF AIDS Foundation	5,520
AIDS Providers Assn.	4,440
Life Center	4,440
Other Agencies	<u>252</u>
<b>Total</b>	<b>\$16,602</b>

These estimated annual maintenance costs beginning in FY 1995-96 would continue in subsequent fiscal years.

5. Under the proposed donation, although the equipment donated would be used by the City and several non-profit agencies, the equipment would be donated to the City, and the City would be liable if the non-profit agencies default on either providing the required matching funds or providing funds for maintenance beginning in FY 95-96. Therefore, the City could incur additional General Fund costs of \$101,354.21, for one-time costs for the total required match, and \$16,602.00 which could be incurred on an annual basis for maintenance costs beginning in FY 95-96.

6. According to Mr. McBride, if the other agencies default on providing the required matching funds, the Public Library would not accept the equipment for the non-profit agencies, and therefore only maintenance costs may subsequently be incurred for those non-profit agencies which have already provided the required matching funds.

7. The proposed new computer equipment is considered to be a complete package to establish the AIDS/HIV Library Information Network. However, to the extent that any of the non-profit agencies that the Public Library expects will provide matching funds for components of the system (as detailed in the project budget above), fail to provide matching funds, the AIDS/HIV Library Information Network would be incomplete and the overall efficiency of the system could be impaired.

8. The Disability Access checklist is in the Board File

9. Attached is the Summary of Grant Request Form.

10. Given that the source of funds for the required matching funds have not yet been identified, and given that the City would incur additional maintenance costs funded through the General Fund beginning in FY 1995-96, and also could incur additional General Fund costs in the event that the non-profit agencies default, approval of the proposed resolution is a policy matter for the Board of Supervisors.

11. The Public Library is requesting that the proposed resolution be continued to the Finance Committee meeting of January 6, 1993.

**Recommendation:** Continue the proposed resolution to the Finance Committee meeting of January 6, 1993, as requested by the Public Library.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Number \_\_\_\_\_

## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying  
resolution:

Department: San Francisco Public Library

Contact Person: George E. McBride Telephone: 557-4215

Project Title: AIDS Library Information Network

Grant Source: Digital Equipment Corporation

Proposed (New / Continuation) Grant Project Summary:

This grant will provide computer equipment in the Library  
that will allow networking between three other information  
providers. This network will provide a database of AIDS/HIV  
service providers for persons with HIV/AIDS.

Amount of Grant Funding Applied for: \$405,416.00

Maximum Funding Amount Available: \$5.0 million

Required Matching Funds: \_\_\_\_\_

Number of Positions Created and Funded: N/A

Amount to be Spent on Contractual Services: \$1,950 year 4 and 5

Will Contractual Services be put out to Bid? No

Term of Grant: One time gift of equipment

Date Department Notified of Available funds: March 1992

Application Due Date: No date specified

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

See attached announcement.

Kenneth E. Due

Department Head Approval

Item 1d - File 101-90-121.3

**Department:** Water Department

**Item:** Release of reserved funds for the San Andreas Pipeline No. 3 Relining Project.

**Amount:** \$10.5 million

**Source of Funds:** Water Department 1991 Series A Revenue Bonds

**Description:** On June 26, 1991 the Board of Supervisors approved a supplemental appropriation ordinance (File 101-90-121) to appropriate \$47,925,000 of Water Department 1991 Series A Revenue Bonds for the following projects:

San Andreas Pipeline No. 3 Relining	\$15,000,000
Calaveras Pipeline	11,300,000
Three-Year Main Replacement	19,125,000
Three-Year Service Renewals	<u>2,500,000</u>
Total	\$47,925,000

Of the \$15 million that was appropriated for the San Andreas Pipeline No. 3 Relining, \$10.5 million was reserved pending selection of the construction contractors and identification of their MBE/WBE status and cost details.

The San Andreas Pipeline No. 3 relining project consists of installing a new 60 inch diameter steel liner pipe inside the existing 66 inch diameter pipe for approximately three miles between the San Andreas Water Treatment Plant and the Baden Pump Station in South San Francisco. The existing pipe has broken in places and the Water Department believes that the whole pipe should be rehabilitated due to its age. The space between the old pipe and the new liner pipe would be filled with concrete.

Six bids were received for the project to reline the approximately three mile section of the pipeline between the San Andreas Water Treatment Plant and the Baden Pump Station on October 27, 1992. The bids ranged from a high bid of \$7,472,352 to a low bid of \$5,448,000 from the joint venture of A. Ruiz Construction Co. and Associates (an MBE firm) and Ranger Pipeline Inc. The Water Department's estimated budget for the project is as follows:

Construction	\$5,448,000
Contingency (approx. 10 %)	<u>552,000</u>
Total	\$6,000,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The Water Department is requesting that \$6.0 million be released for the San Andreas Pipeline No. 3 Relining project at this time instead of the full \$10.5 million that was reserved. The requested \$6.0 million would provide construction funding to rehabilitate the approximately three mile section of the pipeline between the San Andreas Water Treatment Plant and the Baden Pump Station.

According to the Water Department, construction is expected to begin on February 1, 1993 and be completed by November 27, 1993.

**Comment:**

The Water Department is also requesting that an additional \$500,000 be released in order to perform testing of the San Andreas Pipeline No. 3 north of the Baden Pump Station. The Water Department explains that rehabilitation of the section of the pipeline north of the Baden Pump Station is part of the San Andreas Pipeline No. 3 Relining project but is not the subject of the proposed relining construction. According to the Water Department, testing of the section of the pipeline north of the Baden Pump Station will eventually have to be tested before any relining construction occurs. However, the Water Department has not selected a contractor specifically to perform the testing. Therefore the Budget Analyst recommends that the additional \$500,000 requested for testing the pipeline north of the Baden Pump Station not be released until a contractor is selected and cost and MBE/WBE details are determined.

**Recommendation:**

Release reserved funds in the amount of \$6.0 million for construction and contingency to rehabilitate approximately three miles of the San Andreas Pipeline No. 3. Continue to reserve \$4.5 million (\$10.5 million originally reserved less \$6.0 million recommended release of reserve) including \$500,000 for testing the pipeline north of the Baden Pump Station pending selection of contractors and determination of cost and MBE/WBE details.



Item 2 - File 69-92-1

1. This item is a motion directing the Clerk of the Board of Supervisors to submit to the Mayor a request for a supplemental appropriation of \$30,802 to the Board of Supervisors for services of the Budget Analyst, using funds which have accumulated in the Cable Television Access and Development Fund.

2. During the budget deliberations of February, 1992 the FY 1992-93 budget for the Board of Supervisors was reduced by \$40,525 from the FY 1991-92 level for the services of the Budget Analyst. This \$40,525 funding reduction results in a 665 hour reduction in services provided by the Budget Analyst. In October, 1992 the appropriation for the Budget Analyst was reduced for the second time by \$30,802 or the equivalent of an additional reduction of 465 hours of Budget Analyst services. The total of these two reductions for FY 1992-93 is \$71,327 representing 1,130 hours of Budget Analyst services.

3. The proposed motion would request the Mayor to submit a supplemental appropriation to the Board of Supervisors that would appropriate \$30,802, from the unappropriated revenues in the Cable Television Access and Development Fund, a special fund, to the Board of Supervisors budget, in order to restore the second reduction to the budget for contractual services of the Budget Analyst. The use of fees and special fund revenues for the services of the Budget Analyst is consistent with similar actions approved by the Mayor and the Board of Supervisors. If this reduction is restored, the Budget Analyst's contract will be reduced by \$40,525 instead of \$71,327.

4. The Cable Television Access and Development Fund currently has an available balance of \$99,494. The proposed transfer of \$30,802 from the Cable Television Access and Development Fund would leave an unappropriated balance of \$68,692 in this special fund.

5. The transfer of \$30,802 from the Cable Television Access and Development Fund to the Budget Analyst's contract was not made during the September, 1992 Finance Committee budget hearings regarding revisions to the FY 1992-93 budget. Therefore, the proposed request to make such a transfer of funds is being submitted at this time.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Item 3 - File 97-92-40

**Note:** This item was continued at the October 7, 1992 Finance Committee meeting.

**Item:** Ordinance amending the City's Administrative Code by adding Section 5.108.A to establish a County Veteran Service Officer within the Office of the Chief Administrative Officer.

**Description:** State law authorizes the Board of Supervisors of each County to designate a County Veteran Service Officer (CVSO) and to provide the CVSO with appropriate staffing and other resources, in order to assist veterans to obtain State and Federal veteran's benefits. Although 55 of California's 58 Counties have such an Office, San Francisco does not.

The proposed ordinance would establish a County Veteran Service Officer within the Office of the Chief Administrative Officer (CAO) in order to administer aid to indigent veterans and to investigate claims for benefits under State or Federal law. The effort to establish such an office has resulted from the planned relocation of State and Federal Veterans Affairs offices from San Francisco to Oakland in March, 1993, which will diminish veterans' access to veterans service organizations.

On September 15, 1992, the City Services Committee recommended approval of the proposed ordinance, but recommended that the Finance Committee consider the impact of increased veterans benefits on General Fund expenditures for social services, as well as potential sources of funding, other than the General Fund, for the proposed CVSO.

The CAO has proposed to incorporate the CVSO with the Office of the Public Administrator/Public Guardian, which currently provides services to some veterans. The County Veteran Service Officer is required by California law to be a veteran. The current Public Administrator/Public Guardian is a veteran.

Under the CAO's proposal, the annual CVSO budget would be \$409,200. This amount would be partially offset by a State subvention estimated at \$40,000 based on operating the new program for eight months in FY 1992-93 from November 1, 1992 through June 30, 1992 and also includes \$115,238 in salary and fringe benefits for existing staff in the office of the Public Administrator/ Public Guardian. The CAO estimates that total new costs to the City annually for the CVSO after deducting the \$115,238 costs for existing staff would be

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

\$293,962. The Budget Analyst estimates total expenditures for the eight month period from November 1, 1992 through June 30, 1992 at \$195,975. If the estimated State subvention of \$40,000 is received, net General Fund expenditures over the eight months are estimated at \$155,975.

**Budget:**

**Personnel**

	<u>EFE</u>	<u>Amount</u>
1126 Public Administrator	.25	\$20,795
4231 Sr. Estate Investigator	1.00	45,623
4230 Estate Investigator	2.00	82,892
2905 Sr. Eligibility Worker	1.50	62,169
1650 Accountant	.25	9,226
1446 Secretary II	<u>1.00</u>	<u>36,566</u>
Subtotal	6.00	\$257,271

Fringe Benefits (@ 25 percent)	<u>64,318</u>
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Subtotal	\$321,589
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**Operating Costs**

EDP Services	\$16,800
Travel	12,000
Miscellaneous Services	5,157
Telephone	4,760
Materials and Supplies	1,990
Rent (2,000 sq. ft.)	24,000
Real Estate Dept.	1,000
Central Shop-Maintenance	1,054
Central Shop-Fuel	500
Reproduction	<u>350</u>
Subtotal	67,611

**Start Up Costs**

EDP Services	\$4,000
Equipment Purchase	6,000
Automobile Purchase	<u>10,000</u>
Subtotal	<u>20,000</u>

Total	\$409,200
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Less Existing Public Administrator/Public Guardian Staff	(115,238)
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Net New First Year General Fund Contribution Required	<u>\$293,962</u>
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General Fund Contribution over 8 Months of FY 1992-93 (66.6 percent of First Year Cost)	\$195,975
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Less Estimated State Subvention	(40,000)
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Net Estimated General Fund Contribution, FY 1992-93	\$155,975
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**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. Of the proposed \$409,200 budget for the County Veterans Service Office, \$115,238 would consist of existing personnel costs in the Office of the Public Administrator/Public Guardian (PA/PG). According to Mr. Ricardo Hernandez, the Public Administrator/Public Guardian, certain PA/PG positions, equivalent to 2.0 FTE, would be transferred to the CVSO budget because these employees currently perform services on behalf of veterans, including estate management and conservatorships. These activities would be incorporated into the functions of the CVSO. The classifications to be transferred would be the Public Administrator/Public Guardian (.25 FTE), Senior Eligibility Workers (1.5 FTE), and an Accountant (.25 FTE).

Mr. Hernandez states that salary and fringe benefit costs for these employees are now paid from the General Fund. Since the proposed \$409,200 CVSO budget includes \$115,238 for existing positions which are already funded, the amount of new funding needed to establish the CVSO for the first year is \$293,962.

2. If the CVSO is established on November 1, 1992, the General Fund contribution in Fiscal Year 1992-93 would be \$195,975.

3. The proposed budget includes a \$40,000 estimated subvention from the California Department of Veterans Affairs. Mr. Gerald Rucker of the California Department of Veterans Affairs reports that his office has estimated that \$40,000 in State funds would be allocated to San Francisco in 1992-93, based on the inception of services in November 1992.

Mr. Rucker reports that State subvention funds include \$2,500 to offset the salary of the County Veterans Service Officer and \$5,000 for administrative costs. Thus, a minimum of \$7,500 would be reimbursed by the State. The State also allocates subvention funds on the basis of claim forms filed and awards granted by the Federal Veterans Administration. Each claim form and each award generated by a CVSO counts as a single performance credit for the CVSO. Mr. Rucker has estimated that in addition to the \$7,500, the proposed San Francisco CVSO would receive \$32,500 for approximately 2,400 claim forms and awards during fiscal year 1992-93, resulting in a total estimated subvention of \$40,000 in 1992-93.

Performance-based State subventions are not awarded at an established rate. Rather, the State calculates the total number of claims filed each year State-wide and allocates available

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



funds in proportion to a County's share of the total. The Budget Analyst notes that it is doubtful that by increasing the number of claims filed, a CVSO can significantly increase its share of the State subvention, because the increase in local claims would be a very small percentage of all claims State-wide.

Mr. Rucker indicates that legislation is currently pending before the State Legislature which would authorize additional funds for this program through the sale of customized vehicle license plates. Mr. Rucker reports that the State Department of Finance has estimated that this legislation would increase State allocations to CVSOs by approximately 12 percent, beginning in 1994-95. The Budget Analyst notes that a 12 percent increase in San Francisco's estimated 1992-93 State subvention of \$40,000 would result in a total State subvention of \$44,800.

4. The California Department of Veterans Affairs (CDVA) estimates that 76,490 veterans were residents of San Francisco in March, 1991, and that 8,498, or approximately 11 percent of these veterans were receiving veterans benefits. According to CDVA, the average monthly payment to benefit recipients in Northern California in 1990 was \$449, compared to an average monthly payment of \$339 to veterans residing in San Francisco. CDVA estimates that if average monthly benefit levels for San Francisco's veterans were to increase by \$110 to \$449, equal to the Northern California average monthly payment, through the efforts of a CVSO, then San Francisco veterans would realize additional annual income of approximately \$11.2 million. However, there is no firm documentation that this increase would be achieved. The Budget Analyst notes that if this estimate is accurate, the City could realize higher tax revenues if veterans expend higher levels of income within the City.

5. The CDVA reports that establishing a San Francisco CVSO could result in reductions in General Assistance payments to veterans who qualify for veterans benefits. However, there is no firm documentation that such reductions would be achieved.

According to Ms. Dorothy Enisman of the San Francisco Department of Social Services (DSS), General Assistance eligibility workers do not currently apply to the U.S. Veterans Administration (USVA) for benefits on behalf of veterans who apply for General Assistance. DSS does request information from the USVA concerning whether the applicant is currently receiving veterans benefits. Ms. Enisman estimates that in 99.9 percent of cases, such an inquiry to the USVA on behalf of



an identified veteran reveals that the veteran is not receiving veterans benefits.

According to Mr. Hernandez, Social Service Departments in other California Counties ordinarily refer General Assistance applicants who are veterans to the CVSO to evaluate their eligibility for veterans benefits. Mr. Rucker states that a standard form issued by the California Department of Social Services is available for this purpose, and that State subvention funds to County CVSO's are based in part on MediCal cost avoidance activities. Mr. Hernandez states that he would organize a similar referral process between the CVSO and the Department of Social Services (DSS) in San Francisco, if the CVSO is created.

6. The Budget Analyst has contacted representatives of Swords to Plowshares, Disabled American Veterans, and the Monterey and Sacramento County Veterans Service Officers in an effort to understand veterans' eligibility for benefits. The following explanation of veterans benefits is based on these discussions.

The monetary benefits which are available to qualified veterans, and which could potentially offset County General Assistance expenditures for veterans, include Disability Compensation and Pensions.

Disability Compensation requires a showing that the veteran has been partially or totally disabled as a result of military service. Benefits for such service-connected disabilities are paid in proportion to the extent of the disability (from 10 to 100 percent, as determined according to VA guidelines). The amount of the benefit ranges from \$83 per month for a 10 percent disability to \$1,680 per month for full disability.

Disability Compensation would reduce a veteran's eligibility for General Assistance on a dollar-for-dollar basis. At a disability rating of 40 percent, the disability compensation of \$342 per month would essentially eliminate the maximum General Assistance award of \$345 per month. However, to qualify under this program, it must be shown that the veteran's disability resulted directly from his or her military service. In addition, the disability cannot be the result of "willful misconduct." The USVA regards alcohol or drug use which results in disability to be "willful misconduct," although such use can also be regarded as symptomatic of certain recognized disorders, such as Post Traumatic Stress Disorder. Veterans' advocates report that claims for service-connected disabilities must be carefully analyzed, prepared, and documented in order to be successful.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Pensions are provided to veterans who are permanently and totally disabled for any reason, have limited income, and have at least 90 days of military service, including at least one day during a period of war. Pensions provide a subsistence level of income, currently equal to \$7,397 annually for a veteran with no dependents, but pensions are reduced if the veteran has other sources of income or significant assets. Although a pension is available regardless of the reason for the disability, the disability must be total. Persons with total disabilities may already be less likely to receive General Assistance, since they are often eligible for Federal Supplemental Security Income.

7. DSS does not maintain statistics concerning the number of General Assistance recipients who are veterans. However, a recent DSS survey indicates that 28 percent of GA applicants in 1989 were age 41-60 (persons who were of military age during the Vietnam conflict), while another 34.5 percent were age 31-40 (including some who were of military age during Vietnam). Among GA recipients who received benefits for more than one year, approximately 6.5 percent had a psychological disorder and approximately 54 percent had significant health problems or disabilities which prevented them from working.

Since Ms. Enisman reports that almost every veteran who applies for General Assistance is found not to be receiving any veterans benefits, and DSS does not apply for such benefits, the Budget Analyst believes that a reasonable potential does exist to offset General Assistance payments for veterans by seeking disability compensation and pensions. However, the amount of savings which could be realized, if at all, cannot be quantified since statistics are not available concerning the veteran status of GA recipients.

8. Veterans who have at least a 20 percent service-connected disability, or who receive a VA pension due to full disability regardless of cause, are eligible for health care benefits through Veterans Administration facilities. The Budget Analyst notes that such health care benefits could offset the cost of health care provided through County facilities, although the fiscal effects of any such benefit cannot be established at this time. Veterans with these disabilities are also eligible to receive vocational rehabilitation through the Veterans Administration.

9. Certain types of veterans benefits are available to spouses and dependents of veterans. These benefits include a non-

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

service connected death benefit, subject to income guidelines, for survivors of war-time veterans.

Mr. Hernandez states that a particular need exists in San Francisco for assistance to Asian-American veterans and their spouses, widows, or children, particularly those who are Vietnamese or Filipino. Mr. Hernandez states that Federal legislation was enacted earlier this year which recognized the U.S. citizenship claims of veterans who served in the Philippine Scouts, and who may now be eligible for veterans benefits for the first time. Mr. Hernandez also reports that the homeless population is thought to consist of large numbers of veterans, who could receive assistance in obtaining benefits through a CVSO.

10. According to Ms. Kym Valdez, Human Services Program Director for Swords to Plowshares, a non-profit veterans services agency, applications for veterans benefits are extremely complex and the benefits are often difficult to obtain. Ms. Valdez states that the U.S. Veterans Administration, through its regional offices, usually does not assist veterans in filing claims, but expects claims to be complete and fully documented before they will be considered. Mr. Hernandez states that the State of California established the State network of CVSO offices in response to the lack of Federal outreach to veterans and the difficulty veterans faced in obtaining benefits.

All of the veterans benefit counselors who were contacted for this report have emphasized that success in obtaining veterans benefits requires aggressive advocacy efforts and considerable proficiency in benefit requirements.

11. Under State law, the County Veterans Services Officer is required to be a veteran. Mr. Hernandez, who would serve as the CVSO, is a veteran. According to the City Attorney's Office, to combine the positions of PA/PG and CVSO at this time would not require that all future candidates for the position of Public Administrator/Public Guardian must also be veterans. However, if a non-veteran PA/PG is appointed in the future, according to the City Attorney's Office, the CVSO position would have to be transferred elsewhere.

12. Items 16 and 17 of this report are an ordinance to amend the Annual Salary Ordinance to create four new positions for the proposed new program and a supplemental appropriation ordinance to fund the new positions and startup and operating costs of the new program. This proposed ordinance to amend the Administrative Code to establish the new program should

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

be considered together with Items 16 and 17, Files 101-92-22 and 102-92-4 of this report.

13. The Budget Analyst considers this program to be a worthy program, but cautions against all new expenditures given the City's fiscal problems. As previously noted, the net additional cost for this new program after deducting the costs of existing employees is estimated at \$293,962 annually. This \$293,962 annual cost would be reduced by the State's subvention to the City for operating the program. On an annual basis, for 1993-94 Mr. Rucker estimates that the State subsidy would be approximately \$70,000. However, the amount of the State's subventions for future years cannot be estimated at this time. Based on a State subsidy of \$70,000, the proposed new program would require additional General Fund funding of \$223,962 (\$293,962 less \$70,000) annually in the future. Therefore, approval of the proposed ordinance to establish a new City program is a policy matter for the Board of Supervisors.

**Recommendation:** Approval of the proposed ordinance to establish a new City program that would create four new positions and would require additional General Fund funding of \$223,962 (based on a \$70,000 annual State subsidy) is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Items 4 and 5 - File 197-92-5 and 127-92-11

**Note:** These items were continued by the Finance Committee at its meeting of December 16, 1992.

1. File 197-92-5 The proposed resolution would constitute the Cultural Affairs Task Force Final Report Committee as the Task Force's Implementation Committee, with the addition of the CAO or his representative, for the purpose of developing a legislative proposal for the creation of a Cultural Equity Endowment Fund Program and for the purpose of developing proposals to implement other recommendations of the Cultural Affairs Task Force final report.

File 127-92-11 The proposed ordinance would amend the San Francisco Municipal Code, Part III, Section 515 to create a special fund to be known as the Cultural Equity Endowment Fund by reducing the percentage of the Hotel Tax allocated to the Moscone Convention Center, Brooks Hall, Civic Auditorium, Convention and Visitors Bureau, War Memorial, Publicity and Advertising Fund, Nonrecurring Events Fund and by capturing a percentage of the General Fund and to provide that at such time as Hotel Tax Funds are no longer necessary for Candlestick Park as set forth under the proposed ordinance, a portion of such funds would be allocated to the Chief Administrative Officer (CAO) for certain publicity and advertising purposes.

2. On October 28, 1992 the Finance Committee held a hearing to consider the Cultural Affairs Task Force Final Report. As a result of this hearing, the Finance Committee requested the City Attorney to prepare legislation to effect changes in the distribution of Hotel Tax revenues and to enpanel a committee to implement the recommendations of the Cultural Affairs Task Force. These two items would 1) effect changes in the distribution of Hotel Tax revenues, and 2) constitute the Cultural Affairs Task Force Final Report Committee as the Task Force's Implementation Committee.

3. According to Mr. John Kreidler of the San Francisco Foundation, a private nonprofit foundation, and a member of the Task Force, the Cultural Affairs Task Force was formed, in part, in response to criticism of the Grants for the Arts (GFTA) program by certain members of the arts community. Mr. Kreidler advises that some members of the arts community believed that GFTA funds could be distributed more equitably because: (1) some organizations of comparable size received substantially different grant amounts; and (2) large arts organizations, such as the Exploratorium, the Symphony, the Opera, the Ballet and ACT, by virtue of their size, received a disproportionate amount of GFTA's total funds. These large arts organizations are all Western European in their derivation, leading to allegations that the distribution of GFTA funds was racist. According to Mr. Kreidler, certain GFTA critics believed that funds should be redistributed, not based on size, but based on parity with the racial make-up of San Francisco. Under this distribution, if eight percent of San Francisco's population is African American, then eight percent of GFTA funds should be allocated to African American arts organizations.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. The Task Force's report recommends that a second grant fund be established to correct the perceived racial and cultural inequities of Grants for the Arts. The proposed ordinance (File 127-92-11) would establish a special fund, called the Cultural Equity Endowment Fund, which would focus on the following four priorities:

- a. Cultural Equity Initiatives;
- b. Contracts for artwork to individual creative artists in all disciplines;
- c. Project grants to small and midsize arts organizations; and
- d. Facilities acquisition program, or Artspace Initiative.

5. Unlike GFTA, grants from the Cultural Equity Endowment Fund would be made on a competitive basis. Such grants would not act as a subsidy, because grants would not necessarily be on-going. Instead, the Cultural Equity Endowment Fund would make purposeful investments for arts groups, Mr. Kreidler reports. For example, a group might receive a sum of money to support start-up costs, or to market their work for a limited time. Organizations that receive Cultural Equity Endowment funds would not be ineligible to receive GFTA on-going grants in addition to the competitive grant received from the Cultural Equity Endowment.

6. File 127-92-11 would amend the City's Municipal Code to allocate 1.25 percent of the total Hotel Tax Fund in FY 1993-94 and to allocate 1.75 percent in FY 1994-95 and 2.25 percent in FY 1995-96 to the Cultural Equity Endowment Fund. The attached table demonstrates the impact of the proposed allocation to the current fund recipients of the Hotel Tax revenues. As noted in the attached table, under the proposed legislation, in FY 1993-94 the Unallocated General Fund would be reduced by \$309,809 and Special Contingencies (publicity and advertising for special parades, celebrations, street fairs and unforeseen special contingencies) would be reduced by approximately \$146,136. Each of the remaining affected organizations would be reduced by \$68,684. Thus, of the six funds impacted by the proposed Cultural Equity Endowment Fund, the General Fund would be reduced by the greatest amount.

7. According to Ms. Thelma Shelly, Director of the War Memorial, the War Memorial would have to raise rents in order to offset the proposed Hotel Tax revenue decreases of approximately \$68,684 in FY 1993-94, \$108,024 in FY 1994-95 and \$151,448 in FY 1995-96. Ms. Shelly advises that the War Memorial will be incurring expenses in the future for capital improvements on the War Memorial building that would have to be funded through increased rent fees if the War Memorial's Hotel Tax revenues decrease.

8. As noted on the attached table, the proposed Cultural Equity Endowment Fund is targeted to consist of 1.25 percent and 1.75 percent of Hotel Tax funds during the first and second years, respectively, and 2.25 percent of Hotel Tax funds thereafter. The Task Force's report assumes that the Cultural Equity Endowment Fund would commence in 1993-94, and that Hotel Tax revenues would increase by five percent annually. Based on these assumptions, and based on FY 1992-93 estimated Hotel Tax revenues of \$55,671,000 in 1992-93 generated



Items 4 and 5 - File 197-92-5 and 127-92-11

**Note:** These items were continued by the Finance Committee at its meeting of December 16, 1992.

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File 127-92-11 The proposed ordinance would amend the San Francisco Municipal Code, Part III, Section 515 to create a special fund to be known as the Cultural Equity Endowment Fund by reducing the percentage of the Hotel Tax allocated to the Moscone Convention Center, Brooks Hall, Civic Auditorium, Convention and Visitors Bureau, War Memorial, Publicity and Advertising Fund, Nonrecurring Events Fund and by capturing a percentage of the General Fund and to provide that at such time as Hotel Tax Funds are no longer necessary for Candlestick Park as set forth under the proposed ordinance, a portion of such funds would be allocated to the Chief Administrative Officer (CAO) for certain publicity and advertising purposes.

2. On October 28, 1992 the Finance Committee held a hearing to consider the Cultural Affairs Task Force Final Report. As a result of this hearing, the Finance Committee requested the City Attorney to prepare legislation to effect changes in the distribution of Hotel Tax revenues and to enpanel a committee to implement the recommendations of the Cultural Affairs Task Force. These two items would 1) effect changes in the distribution of Hotel Tax revenues, and 2) constitute the Cultural Affairs Task Force Final Report Committee as the Task Force's Implementation Committee.

3. According to Mr. John Kreidler of the San Francisco Foundation, a private nonprofit foundation, and a member of the Task Force, the Cultural Affairs Task Force was formed, in part, in response to criticism of the Grants for the Arts (GFTA) program by certain members of the arts community. Mr. Kreidler advises that some members of the arts community believed that GFTA funds could be distributed more equitably because: (1) some organizations of comparable size received substantially different grant amounts; and (2) large arts organizations, such as the Exploratorium, the Symphony, the Opera, the Ballet and ACT, by virtue of their size, received a disproportionate amount of GFTA's total funds. These large arts organizations are all Western European in their derivation, leading to allegations that the distribution of GFTA funds was racist. According to Mr. Kreidler, certain GFTA critics believed that funds should be redistributed, not based on size, but based on parity with the racial make-up of San Francisco. Under this distribution, if eight percent of San Francisco's population is African American, then eight percent of GFTA funds should be allocated to African American arts organizations.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. The Task Force's report recommends that a second grant fund be established to correct the perceived racial and cultural inequities of Grants for the Arts. The proposed ordinance (File 127-92-11) would establish a special fund, called the Cultural Equity Endowment Fund, which would focus on the following four priorities:

- a. Cultural Equity Initiatives;
- b. Contracts for artwork to individual creative artists in all disciplines;
- c. Project grants to small and midsize arts organizations; and
- d. Facilities acquisition program, or Artspace Initiative.

5. Unlike GFTA, grants from the Cultural Equity Endowment Fund would be made on a competitive basis. Such grants would not act as a subsidy, because grants would not necessarily be on-going. Instead, the Cultural Equity Endowment Fund would make purposeful investments for arts groups, Mr. Kreidler reports. For example, a group might receive a sum of money to support start-up costs, or to market their work for a limited time. Organizations that receive Cultural Equity Endowment funds would not be ineligible to receive GFTA on-going grants in addition to the competitive grant received from the Cultural Equity Endowment.

6. File 127-92-11 would amend the City's Municipal Code to allocate 1.25 percent of the total Hotel Tax Fund in FY 1993-94 and to allocate 1.75 percent in FY 1994-95 and 2.25 percent in FY 1995-96 to the Cultural Equity Endowment Fund. The attached table demonstrates the impact of the proposed allocation to the current fund recipients of the Hotel Tax revenues. As noted in the attached table, under the proposed legislation, in FY 1993-94 the Unallocated General Fund would be reduced by \$309,809 and Special Contingencies (publicity and advertising for special parades, celebrations, street fairs and unforeseen special contingencies) would be reduced by approximately \$146,136. Each of the remaining affected organizations would be reduced by \$68,684. Thus, of the six funds impacted by the proposed Cultural Equity Endowment Fund, the General Fund would be reduced by the greatest amount.

7. According to Ms. Thelma Shelly, Director of the War Memorial, the War Memorial would have to raise rents in order to offset the proposed Hotel Tax revenue decreases of approximately \$68,684 in FY 1993-94, \$108,024 in FY 1994-95 and \$151,448 in FY 1995-96. Ms. Shelly advises that the War Memorial will be incurring expenses in the future for capital improvements on the War Memorial building that would have to be funded through increased rent fees if the War Memorial's Hotel Tax revenues decrease.

8. As noted on the attached table, the proposed Cultural Equity Endowment Fund is targeted to consist of 1.25 percent and 1.75 percent of Hotel Tax funds during the first and second years, respectively, and 2.25 percent of Hotel Tax funds thereafter. The Task Force's report assumes that the Cultural Equity Endowment Fund would commence in 1993-94, and that Hotel Tax revenues would increase by five percent annually. Based on these assumptions, and based on FY 1992-93 estimated Hotel Tax revenues of \$55,671,000 in 1992-93 generated

from the basic 8 percent Hotel Tax rate, the Budget Analyst estimates that the total dollar amount of the Cultural Equity Endowment Fund would be as follows:

- \$730,682 in FY 1993-94 (1.25 percent of the current estimated revenues plus a five percent increase);
- \$1,073,489 in FY 1994-95 (1.75 percent of the estimated FY 1993-94 revenues plus a five percent increase); and
- \$1,450,038 in FY 1995-96 (2.25 percent of estimated FY 1994-95 total revenues plus a five percent increase. The Cultural Equity Endowment would consist of this 2.25 percent of Hotel Tax revenues in perpetuity; the estimated dollar amount would vary in future years based on the dollar amount of Hotel Tax revenues.

9. The Budget Analyst notes that Hotel Tax revenues will not necessarily increase by five percent per year. Hotel Tax revenues are paid by tourists, and tourism generally declines during economic downturns and increases during upturns. A five percent annual increase is higher than the current rate of inflation. Thus, an assumption that Hotel Tax revenues will increase 5 percent per year assumes that either the number of tourists staying in hotels or the rates charged by such hotels will increase in future years, an assumption that may not be realized depending on economic conditions. Historically, the 8 percent of the total 11 percent Hotel Tax has generated the following actual revenues:

<u>FY</u>	<u>Amount</u>	<u>Percent Increase</u>
1987-88	\$44,357,994	n/a
1988-89	48,810,018	10.0 %
1989-90	46,120,913	(5.5)
1990-91	50,588,835	9.7
1991-92	52,389,209	3.6

As demonstrated by actual revenues over the past five years, Hotel Tax revenues are inconsistent. In 1989-90, Hotel Tax revenues actually decreased 5.5 percent from the prior year. Most recently, revenues were less than the 5 percent annual increase estimated by the Task Force. The average increase over the past four years is 4.45 percent.

10. The Task Force estimates that the dollar amount allocated to the five organizations which would receive a reduction in the percentage of the Hotel Tax funds would not decrease, because the Task Force anticipates that Hotel Tax revenues will increase 5 percent per year in 1993-94, 1994-95 and 1995-96. Instead, the Cultural Equity Endowment funds would come from a reduction in future increases. Assuming the five percent annual increase in Hotel Tax revenues included in the Task Force's report is correct, the Budget Analyst concurs that each of the five organizations would receive increases in the dollar amount of their Hotel Tax revenues. However, the Budget Analyst notes that if the dollar amount of Hotel Tax funds allocated to these organizations does not increase over time, the value of the amount allocated to these organizations would decrease

because of the value of a dollar decreases over time due to inflation. In other words, expenses for these organizations would go up due to inflation, but if their anticipated revenue increase was allocated to the Cultural Equity Endowment Fund, the organizations would need to identify areas for expenditure reductions or increase other revenues.

11. According to Ms. Joanne Chow Winship, Director of the Arts Commission, the Arts Commission or the Grants for the Arts were both recommended as the agency to administer the Cultural Equity Endowment Fund. According to Ms. Winship, the proposed Task Force's Implementation Committee (File 197-92-5) would decide which agency would administer the proposed Cultural Equity Endowment Program. Ms. Winship advises that because of the nature of the proposed Cultural Equity Endowment Fund, the Endowment would be expensive to administer. According to Ms. Winship, the Task Force envisioned a decision-making process involving a great deal of public input. In addition, grants to individual artists, which would include sample artwork, require that applications be inventoried and artwork be returned. These activities increase costs, so that approximately 20 percent of the Cultural Equity Endowment Fund would be required to support administrative costs, Ms. Winship estimates. However, Ms. Marie Acosta Colon, Director of the Mexican Museum and member of the Cultural Affairs Task Force, estimates that between five to twenty percent of the proposed Cultural Equity Endowment Fund would be required to fund administrative costs. Ms. Colon reports that the level of administrative costs would depend on which agency would be responsible for administering the proposed fund.

12. In addition to deciding which agency would be responsible for administering the proposed Cultural Equity Endowment Program, the proposed Task Force's Implementation Committee (File 197-92-5) would develop proposals to implement other recommendations of the Cultural Affairs Task Force's final report.

### **Recommendation**

The proposed ordinance and resolution are policy matters for the Board of Supervisors.



Hotel Tax Revenues	Current (FY 1993-94)		Proposed (FY 1993-94)		Proposed (FY 1994-95)		Proposed (FY 1995-96)	
	%usage	Total	%usage	Total	Difference	%usage	Total	Difference
Total Hotel Tax Revenues		\$58,454,550		\$58,454,550			\$61,377,278	\$64,446,141
Convention Center, Brooks Hall,								
Civic Auditorium	42.00%	\$24,550,911	41.88%	\$24,482,227	(\$68,684)	41.82%	\$25,670,433	(\$108,024)
S.F. Convention & Visitor's Bureau	10.00%	5,845,455	9.88%	5,776,771	(\$68,684)	9.82%	6,029,704	(108,024)
War Memorial Special Fund	10.00%	5,845,455	9.88%	5,776,771	(\$68,684)	9.82%	6,029,704	(108,024)
Publicity & Advertising	16.50%	9,645,001	16.38%	9,576,317	(\$68,684)	16.32%	10,019,227	(108,024)
Candlestick Park	6.23%	3,641,718	6.23%	3,641,718	0	6.23%	3,823,804	0
Special Contingencies	0.50%	292,273	0.25%	146,136	(146,136)	0.25%	153,443	(153,443)
Low Cost Housing	6.23%	3,641,718	6.23%	3,641,718	0	6.23%	3,823,804	0
Unallocated General Fund	7.94%	4,641,291	7.41%	4,331,482	(309,809)	7.15%	4,385,407	(487,949)
Administration	0.60%	350,727	0.60%	350,727	0	0.60%	368,264	0
Subtotal	100.00%	\$58,454,550	98.75%	\$57,723,868	(\$730,682)	98.25%	\$60,303,789	(1,073,489)
Cultural Equity Endowment	0	0	1.25%	\$730,682	\$730,682	1.75%	\$1,073,489	1,073,489
Total	100.00%	\$58,454,550	100.00%	\$58,454,550		100.00%	\$61,377,278	2,922,728.00
								\$64,446,141

Note: Assumes Hotel Tax revenue increases 5% each year.





Item 6 - File 127-92-10

**Note:** This item was continued at the December 9, 1992 Finance Committee meeting.

**Item:** Ordinance amending Part III, Municipal Code, by adding Section 75.1 to require persons filing a statement of fictitious business name pursuant to California Business and Professions Code Section 17900 et. seq. to provide proof of compliance, including payment of all appropriate license fees, with all applicable sections of Article II of Part III of the Municipal Code.

**Description:** Under the Administrative Code, the City imposes three types of business registration requirements. All businesses in San Francisco are required to obtain a business tax registration certificate from the Tax Collector, in order for the City to enforce collection of business taxes (businesses with annual gross receipts under \$15,000 are not required to pay a business tax registration fee, but still must obtain the certificate). In addition, some, but not all, businesses are required to obtain regulatory permits of various kinds, such as Health Department permits for restaurants or Fire Department permits for gas stations, which are issued by the individual departments. Finally, some, but not all, businesses are required to obtain business licenses, including, for example, licenses for laundries, sightseeing operations, theatres, automotive repairs shops, and others.

In addition, the Recorder administers the filing and issuance of fictitious business name statements, which are required of individuals who adopt a name different than their own as a name for their business.

The proposed ordinance would amend the Administrative Code to require that individuals who file a statement of fictitious business name with the Recorder must provide proof of payment of all appropriate business license fees, or a waiver of any license requirements, from the Tax Collector before the fictitious business name statement will be issued.

The proposed ordinance would not require persons filing a fictitious business name statement to present proof that they have obtained the required business tax registration certificate.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. The proposed ordinance would require all businesses filing a fictitious business name (FBN) statement to present to the Recorder either a business license issued by the Tax Collector or a waiver of the City's business license requirements. However, Ms. Anita Jin of the Business License Division of the Tax Collector's Office reports that not all businesses are required to obtain a business license, and the Tax Collector currently does not issue waivers to businesses which are not required to obtain a business license. Therefore, a waiver of business license requirements, which some businesses would be required to obtain under the proposed ordinance, is not available from the Tax Collector under existing procedures.

2. Under Part III, Article 12B, Section 1003 of the Administrative Code, all businesses are required to obtain a business tax registration certificate from the Tax Collector and pay a business registration fee (although businesses with annual gross receipts of less than \$15,000 are exempt from the fee). Therefore, a business tax registration certificate is required to be issued by the Tax Collector to all businesses in San Francisco. The proposed ordinance would not require businesses to present evidence that they have obtained the required business tax registration certificate.

3. Mr. Sullivan states that it would be highly inadvisable to require businesses to present evidence that they have obtained a business license or a waiver of business license requirements before filing a FBN statement. This is because 1) not all businesses are required to obtain a business license, 2) the Tax Collector does not issue waivers of business licenses to businesses which do not require licenses, and is not equipped to do so, and 3) entrepreneurs often file FBN statements before obtaining business licenses, in order to use the business name to conduct a series of other activities, such as opening checking accounts, which must be performed before the business can open. Mr. Sullivan states that to require entrepreneurs to obtain business licenses, or a written waiver of business license requirements, before a FBN statement could be filed would lead to lengthy delays in the inception of new businesses.

4. According to the City and County Recorder, Mr. Bruce Jamison, and Mr. Richard Sullivan of the Tax Collector's Office, the intent of the proposed ordinance was to enhance compliance with the City's business tax, by requiring all businesses filing a FBN statement to present evidence that they have obtained the business tax registration certificate,

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

pursuant to Article 12-B of the Administrative Code, rather than proof of compliance with the City's business license requirements, pursuant to Article 2 of the Administrative Code. Mr. Jamison requests that the proposed ordinance be continued to the call of the Chair to allow for preparation of an amendment of the whole that would require proof of compliance with the business tax registration requirements of Article 12B of the Administrative Code, rather than proof of compliance with the business license requirements of Article 2 of the Administrative Code, for businesses filing a fictitious business name statement with the Recorder.

**Recommendation:** Continue the proposed ordinance to allow for preparation of an amendment of the whole, as requested by Mr. Jamison.



Item 7 - File 101-92-23

**Department:** San Francisco General Hospital (SFGH)

**Item:** Supplemental appropriation ordinance appropriating \$1.4 million for two capital improvement projects to renovate Wards 14 and 15 (the SFGH Business Office) and the Emergency Room/Outpatient Registration areas.

**Amount:** \$1.4 million

**Source of Funds:** SFGH Capital Reserve

**Description:** The Mayor's budget for FY 1992-93 included \$160,000 for planning of an SFGH capital project to renovate Wards 14 and 15 at SFGH. SFGH had estimated that the total capital project would cost an estimated \$1.6 million. Subsequently, in approving the City's budget for FY 1992-93, the Board of Supervisors restored \$1.4 million for this project as a General Fund Reserve subject to future appropriation by supplemental appropriation ordinance.

The proposed supplemental appropriation would provide funding for the renovation of the Business Offices in order to increase staff efficiency and productivity by improving space utilization. The Business Offices include Patient Accounting (Billing, Credit and Collections), Accounts Receivable, Inpatient Eligibility, Department of Social Services Eligibility Workers, Revenue Enhancement Units, General Accounting and Payroll. The areas occupied by these Business Offices were formerly hospital wards and still contain fixtures such as dishwasher, steel kitchen cabinets, bathtubs, and shower stalls. Proposed renovations include the installation of new lighting fixtures, computer and telephone cable conduits, handicapped access to restrooms and public areas and two cashier windows in the Ward 24 patient billing area (currently patients must walk across the street to another building to pay their bills). The proposed renovations would also double the space occupied by the Department of Social Services Eligibility Workers that process applications for Medi-Cal.

The proposed supplemental appropriation would provide funding for the renovation of the outpatient registration, emergency room waiting and admitting areas to expand the capacity to register, admit patients and perform financial interviews and assist with eligibility. The registration unit interviews and registers an average of over 800 out-patients daily and admits an average of over 50 patients to the

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



inpatient units daily. The registration and eligibility workers currently perform their duties in areas that were designed to provide security but do not provide privacy for confidential interviews of patients and completion of Medi-Cal applications. The proposed renovation project would change the design of the registration area to provide greater confidentiality for financial interviews. According to SFGH, these improvements will result in increases in hospital revenues by increasing the number of patients eligible for Medi-Cal, increasing the ability to identify Medicare and other paying patients in the emergency room and improving the Medi-Cal eligibility efforts in the outpatient clinics.

The SFGH's preliminary cost estimate for these renovation projects is attached.

**Comments:**

1. SFGH reports that determinations have not yet been made as to what portions of the construction work will be performed by SFGH maintenance staff and what portions will be contracted. Therefore, \$643,500 for construction work to the Business Offices (including \$505,000 for Open Office Area Ward 14/15, \$16,000 for moving cost, \$13,500 for Interim DSS Unit/Ward 82, \$19,000 for asbestos work and \$90,000 for project contingencies) and \$496,500 for construction work to the outpatient registration, emergency room waiting and admitting areas (including \$215,000 for the emergency room, \$216,500 for outpatient registration and admitting areas and \$65,000 for project contingencies) should be reserved pending determinations regarding use of maintenance staff or outside contractors, and if outside contractors are to be used, selection of the contractors and their MBE/WBE status.

2. The Capital Improvement Advisory Committee (CIAC) has not endorsed the proposed project but also does not reject it. According to the CIAC's report on the proposed capital project, "the CIAC does not object to the passage of the supplemental appropriation. We would reiterate, however, that there are a multiplicity of projects of higher priority from a Citywide point of view which we would prefer to have been funded."

**Recommendations:** 1. Amend the proposed supplemental appropriation ordinance to reserve a total of \$1,140,000 for construction (\$643,500 for construction work to the Business Offices and \$496,500 for construction work to the outpatient registration, emergency room waiting and admitting areas) pending determinations as to what portions of the construction work will be performed by SFGH maintenance staff and what



portions will be contracted and if outside contractors are to be used, selection of the contractors and their MBE/WBE status.

2. Approve the proposed supplemental appropriation ordinance as amended.

BOARD OF SUPERVISORS  
BUDGET ANALYST

SAN FRANCISCO GENERAL HOSPITAL  
BUSINESS OFFICE/DSS

DESIGN/PROJECT MANAGEMENT

Design 15%	\$135,000
Construction Inspection/Admin. 4%	\$36,000
SFGH Project Management/Contract 8%	\$72,000
Permit 1.5%	\$13,500
Subtotal:	<u>\$256,500</u>

CONSTRUCTION COST ESTIMATE

Open Office Area Ward 14/15:

Electrical & Lighting	\$60,000
Computer Cable	\$20,000
Sheet Vinyl Flooring/Carpet	\$50,000
Painting	\$50,000
Demolition & Patch	\$15,000
Modular Work Stations	\$210,000
Handicap-Accessible Toilets	\$100,000
Subtotal:	<u>\$505,000</u>

Moving Cost:	Subtotal: <u>\$16,000</u>
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Interim DSS Unit/Ward 82:

Computer Connections	\$3,500
Workstations	\$10,000
Subtotal:	<u>\$13,500</u>

Asbestos

Abatement	\$15,000
Industrial Hygienist	\$4,000
Subtotal:	<u>\$19,000</u>

TOTAL PROJECT COST	\$810,000
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PROJECT CONTINGENCY	<u>\$90,000</u>
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TOTAL:	<u>\$900,000</u>
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SAN FRANCISCO GENERAL HOSPITAL  
EMERGENCY ROOM/OUTPATIENT REGISTRATION

DESIGN/PROJECT MANAGEMENT

Design 15%	\$105,000
Construction Inspection/Admin 4%	\$28,000
SFGH Project Management/Contract	\$60,000
Permit 1.5%	\$10,500

Subtotal: \$203,500

CONSTRUCTION COST ESTIMATE

Emergency Room	
Gyp. Bd. Walls	\$27,000
Acoustical Ceiling	\$10,000
Painting	\$15,000
-- Demolition & Patch	\$7,000
Vinyl Flooring	\$9,000
Fire Shutters	\$10,000
Mechanical	\$20,000
Lighting	\$7,000
Electrical	\$12,000
Communications Cabling	\$6,000
Handicap-Accessible Toilets	\$43,000
Work Surfaces/Casework	\$49,000

Subtotal: \$215,000

OPD Registration and Admitting

Gyp. Bd. Walls	\$15,000
Acoustical Ceiling	\$6,000
Painting	\$7,000
Demolition & Patch	\$7,000
Vinyl Flooring	\$11,000
Fire Shutters	\$15,000
Mechanical	\$18,000
Lighting	\$12,000
Electrical	\$10,000
Communications Cabling	\$7,000
Handicap-Accessible Toilets	\$48,500
Work Surfaces/Casework	\$60,000

Subtotal: \$216,500

TOTAL PROJECT COST	\$635,000
PROJECT CONTINGENCY	\$65,000
TOTAL	\$700,000



Item 8 - File 101-92-24

**Department:** San Francisco General Hospital (SFGH)

**Item:** Supplemental appropriation ordinance appropriating \$379,000 for a capital improvement project to renovate Ward 86, the AIDS Ward, at SFGH.

**Amount:** \$379,000

**Source of Funds:** New Medi-Cal revenue

**Description:** The AIDS Ward (Ward 86) at SFGH is the outpatient clinic that specializes in the care of HIV infected persons. In addition to primary care the AIDS Ward provides other outpatient services including ongoing psychiatric care, social services, acute psychiatric assessment, nutritional counseling, dermatology services, phlebotomy and acute drop-in care. The AIDS Ward also receives patients discharged from the SFGH inpatient AIDS unit.

According to SFGH, the AIDS Ward has experienced increased levels of overcrowding in recent years resulting in fire and occupational safety hazards for patients and staff. In 1989 there were approximately 18,000 outpatient visits to the AIDS Ward, in 1990 approximately 19,600 outpatient visits and in 1991 approximately 23,600 outpatient visits (excluding evening clinic visits). When patients were unable to find seats in the waiting area they overflowed into hallways and stairwells. Because of a lack of storage areas in the AIDS Ward, medical supplies are stacked in the hallways. The AIDS Ward has received fire citations for the unsafe conditions.

The proposed renovation of the AIDS Ward would increase the utilization of existing clinic space by converting the existing treatment area into two examination rooms with a medical supplies storage area in one of the examination rooms, converting an existing office space into a large treatment area and by making the AIDS Ward fully wheelchair accessible. SFGH reports that the AIDS Ward has been cited by the City's Fire Marshal for not meeting Fire Code Regulations. Specific renovation components include the following:

Fire code regulations require installation of fire walls and partitions and a fire alarm system.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Replace all carpeting with linoleum in the chemotherapy area.

Computer cable will be installed from the basement of the building to the AIDS Ward in order to allow for on-line access of the ward to the clinical laboratory.

Install additional sinks.

Medical equipment will be permanently wall mounted and IV poles and curtains will be installed from the ceiling.

Additional telephone equipment will be installed.

A small room that was previously used for the storage of refrigerated blood samples is now vacant and will be remodeled for use as a staff support room.

The medical records room will be remodeled to improve access to medical records.

The SFGH's preliminary budget estimate for the proposed renovation to the AIDS Ward is attached. According to this preliminary budget the total project cost is \$409,000 whereas the proposed supplemental appropriation is \$379,000 or \$30,000 less than the project cost. The \$30,000 difference was included in the SFGH FY 1992-93 budget for initial planning of the project.

The proposed source of funds is Medi-Cal Disproportionate Share Revenues from the State pursuant to Senate Bill (SB)1255. Because of restrictions on the use of SB 1255 funds, the Department of Public Health has agreed with the State agency that administers SB 1255 funds to dedicate the \$379,000 in additional Medi-Cal Disproportionate Share Revenues for renovation of the AIDS Ward.

According to the AIDS Ward project schedule, construction can be completed in two months.

**Comments:**

1. SFGH reports that determinations have not yet been made as to what portions of the construction work will be performed by SFGH maintenance staff and what portions will be contracted. Therefore, \$292,435 for construction including \$55,400 for Room 607, \$66,700 for Room 620, \$13,000 for Nursing Stations North and South, \$27,200 for Corridor Life Safety Issues, \$19,000 for Elevator Lobby/Reception Area, \$26,500 for Restrooms/Dirty Utility Rooms, \$44,300 for

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Asbestos Abatement and \$40,335 for Contingency should be reserved pending determinations regarding use of maintenance staff or outside contractors, and if outside contractors are to be used, selection of the contractors and their MBE/WBE status.

2. The Capital Improvement Advisory Committee (CIAC) has not endorsed the proposed project but also does not reject it. According to the CIAC's report on the proposed capital project, "the CIAC does not object to the passage of the supplemental appropriation. We would reiterate, however, that there are a multiplicity of projects of higher priority from a Citywide point of view which we would prefer to have been funded."

3. SFGH indicates that because of restrictions on the use of SB 1255 funds, the \$379,000 in additional Medi-Cal revenues cannot be used for regular SFGH operating expenses and must be used for a program related expenditure, such as the proposed capital improvement project.

- Recommendations:**
1. Amend the proposed supplemental appropriation ordinance to reserve a total of \$292,435 for construction pending determinations as to what portions of the construction work will be performed by SFGH maintenance staff and what portions will be contracted and if outside contractors are to be used, selection of the contractors and their MBE/WBE status.
  2. Approve the proposed supplemental appropriation ordinance as amended.

BOARD OF SUPERVISORS  
BUDGET ANALYST

SAN FRANCISCO GENERAL HOSPITAL  
AIDS OUTPATIENT REMODEL BLDG. 80

DESIGN/PROJECT MANAGEMENT

Design 15%	\$61,350
Construction Inspection/Admin. 4%	\$16,360
SFGH Project Management/Contract 8%	\$32,720
Permit 1.5%	\$6,135
Subtotal:	\$116,565

CONSTRUCTION COST ESTIMATE

Room 607:

Fire Wall & Partitions	\$3,500
Door	\$1,500
Ceiling	\$3,000
Sheet Vinyl Flooring	\$6,400
Electrical & Lighting	\$10,000
Computer Cable	\$5,000
Install Sinks & Hopper	\$10,000
Equipment	\$16,000
Subtotal:	\$55,400

Room 620:

Fire Wall & Partitions	\$5,600
Demo storage room wall	\$1,500
Door	\$3,000
Ceiling	\$4,200
Sheet Vinyl Flooring	\$6,400
Electrical & Lighting	\$13,000
Computer Cable	\$5,000
Install Sinks & Hopper	\$10,000
Equipment	\$18,000
Subtotal:	\$66,700

SAN FRANCISCO GENERAL HOSPITAL  
AIDS OUTPATIENT REMODEL BLDG. 80

Nursing Stations North & South:

Corridor Separation	\$8,000
Roll Down Fire Curtain (North)	\$5,000

Subtotal: \$13,000

Corridor Life Safety Issues:

40 Door Closers @\$350 each	\$14,000
Replace 12 Doors @\$1100 each	\$13,200

Subtotal: \$27,200

Elevator Lobby/Reception Area:

Corridor Separation	\$12,000
Roll Down Fire Curtain	\$7,000

Subtotal: \$19,000

Restrooms/Dirty Utility Rooms:

Hopper Sink	\$9,000
2 Doors	\$2,500
Upgrade Storage/Work Surfaces	\$9,000
Bathroom Accessibility	\$6,000

Subtotal: \$26,500

Asbestos

Abatement	\$37,000
Industrial Hygienist	\$7,300

Subtotal: \$44,300

TOTAL PROJECT COST \$368,665

PROJECT CONTINGENCY \$40,335

TOTAL: \$409,000



Item 9 - File 101-92-28

**Department:** Department of Public Health (DPH)  
San Francisco General Hospital (SFGH)

**Item:** Supplemental appropriation ordinance appropriating \$10,128,907 in new, Medi-Cal revenues (SB 855), and transferring the new revenues to the DPH for Other Current Services and a Reserve for DPH Revenue Shortfall.

**Amount:** \$10,128,907

**Source of Funds:** Increased Medi-Cal revenues

**Description:** Senate Bill 855 established a Payment Adjustment Program that provides a mechanism for additional supplemental payments to the State's Disproportionate share hospitals, such as SFGH. A disproportionate share hospital is defined as a hospital with a Medicaid inpatient utilization rate higher than the State average. Under the Payment Adjustment Program, the City is required to make an intergovernmental transfer of funds to the State. The State obtains matching Federal funds to the intergovernmental transfer (the intergovernmental transfer is essentially a local match) and the total of the intergovernmental plus the matching Federal funds are then distributed back to SFGH as Medi-Cal revenues based on Medi-Cal patient days of service. The amount that the City must pay to the State as an intergovernmental transfer is based on a statutory formula.

The DPH has already paid \$38 million to the State for the FY 1992-93 intergovernmental transfer based on the State's formula and expects to receive \$64.7 million back from the State. Based on an intergovernmental transfer of \$38 million and a return of a total of \$64.7 million including the \$38 million intergovernmental transfer plus matching Federal funds of \$26.7 million, the City is getting back approximately \$1.70 for each dollar advanced to the State.

The State has revised their allocation of SB 855 Medi-Cal allocations for FY 1992-93 and requires the City to pay an additional \$8,488,622 to the State for the revised FY 1992-93 intergovernmental transfer. The State will return an additional \$10,128,907 in Medi-Cal revenues to the SFGH, including the additional \$8,488,622 intergovernmental transfer and \$1,640,285 in matching Federal funds. Based on the total FY 1992-93 payments to the State of \$84,488,622 (\$38 million plus \$8,488,622) and a return of a total of \$74,828,907 (\$64.7 million plus \$10,128,907) in Medi-Cal revenues for FY

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

1992-93, the SFGH will receive approximately \$1.61 for each dollar advanced to the State for FY 1992-93.

The proposed supplemental appropriation ordinance would recognize the additional \$10,128,907 in Medi-Cal revenue for FY 1992-93 and would transfer \$8,488,622 of the Medi-Cal revenue increase to the Other Services budget for DPH to be used as the source of funds for the required intergovernmental transfer. The \$1,640,285 balance in new revenue over and above the \$8,488,622 intergovernmental transfer would be set aside in the DPH budget as a Reserve for DPH Revenue Shortfalls budgetary account subject to future appropriation when the full \$10,128,907 in new revenue is assured based on sufficient patient days to generate that amount of Medi-Cal revenue in accordance with the State's formula for reimbursement.

**Comment:** Ms. Susan Ehrlich of DPH reports that patient days at SFGH are meeting the SFGH projection for FY 1992-93 and that SFGH will earn all Medi-Cal revenue allocated to the City by the State pursuant to SB 855.

**Recommendation:** Approve the ordinance.



Item 10 - File 65-92-11

**Note:** This item was continued at the November 4, 1992 Finance Committee meeting.

**Departments:** Real Estate  
San Francisco Clean Water Program

**Item:** Ordinance authorizing and approving a renewal lease of City-owned property at 1800 Oakdale Avenue (Southeast Community Facility, Northwest corner of Phelps Street and Oakdale Avenue) to the San Francisco Community College District to operate a satellite campus of the City College of San Francisco

**Location:** 1800 Oakdale Avenue, commonly known as the Southeast Community Center

**Purpose of Lease:** Space for a skills center consisting of classrooms, a library and other educational facility support services for the San Francisco Community College District for use as a satellite campus of the City College of San Francisco

**Lessee:** San Francisco Community College District

**No. of Sq. Ft. and Cost per Month:** \$13,104.18 monthly rent for approximately 35,800 sq. ft. or approximately \$0.37 per sq. ft. per month

**Annual Revenue:** \$157,250

**% Increase Over Prior Year:** None - The Real Estate Department states that because of budget constraints, the San Francisco Community College District cannot afford an increase in rent for fiscal year 1992-93 (the proposed lease does provide for three percent annual increases in rent beginning July 1, 1993).

**Term of Lease:** From date of lease execution through June 30, 1995 (two years and seven months if lease is finally approved effective December 1, 1992). Presently, the lease is on a month-to-month basis.

**Comments:** 1. The San Francisco Community College District has occupied the Southeast Community Center since 1986 under a five year lease that expired on October 30, 1991 and on a month-to-month basis since October 31, 1991.

2. On July 1 of each year beginning in 1993 the rental amount will be increased by three percent.

BOARD OF SUPERVISORS  
BUDGET ANALYST

3. A provision of the proposed lease requires the Clean Water Program to make modifications to the Southeast Community Center space that is occupied by the City College to meet disabled access requirements as required by the American Disabilities Act. The Clean Water Program estimates the cost of such improvements will total approximately \$48,000. Funding for the improvements will be included in the 1993-94 Clean Water Program budget. The San Francisco Community College District will not reimburse any of these costs which are the responsibility of the building owner.

4. The City will provide utility services including gas, water, electricity, heating, ventilation, air conditioning, parking, landscaping, and sewer. The San Francisco Community College District will continue to reimburse the City for 85 percent of the total utility services costs for the whole building. The 85 percent rate for reimbursement was negotiated based on the 35,800 square feet of space occupied by the City College compared to the total area of the Southeast Community Center of approximately 42,500 square feet (approximately 85 percent). The Head Start Child Care Program and the Senior Escort Program occupy the remaining 6,700 square feet of space at the center. The San Francisco Community College District reimbursed the City \$12,448 for water and sewage service in fiscal year 1991-92, according to Mr. Alex Pitcher of the Clean Water Program. Mr. Pitcher was not able to provide the amount of reimbursements for electricity or other utilities, as of the writing of this report. The San Francisco Community College District is wholly responsible for security costs for the entire facility.

5. The Southeast Community Center was constructed in 1986 to mitigate the construction of the Southeast Treatment Plant. The mitigation order issued by the State Water Resources Control Board requires that a skills center be located at the Southeast Community Center. Mr. John Roddy of the City Attorney's Office states that the mitigation order requirement that a skills center occupy the facility has been met by locating the City College of San Francisco satellite campus at the Southeast Community Center.

6. The Real Estate Department reports that although the proposed rental amount is below the fair market value of rent for the area, the San Francisco Community College District provides a public benefit in accordance with the designated use for the facility. According to the August 7, 1992 letter from the Real Estate Department to the Budget Analyst regarding a new lease for the Head Start Child Care

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Program at the Southeast Community Center (File 65-92-12), the fair market value of space at the center is \$1.25 per square foot per month (\$15 per year), or \$537,000 annually for the 35,800 square feet of space occupied by the San Francisco Community College District. The proposed annual rent of \$157,250 is \$379,750 or approximately 71 percent less than the fair market value of \$537,000. Therefore, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**Recommendation:** Given that the proposed rental rate for the lease is \$379,750 or approximately 71 percent less than fair market value of \$537,000, the proposed lease renewal for approximately two years and seven months is a policy matter for the Board of Supervisors.



Item 11 - File 62-92-3

- Department:** Recreation and Park Department
- Item:** Ordinance approving a five-year lease with Frederick Lo for management and operation of the Coit Tower Facility in San Francisco, California.
- Description:** The proposed ordinance would approve a five-year lease to Frederick Lo for the management and operation of the Coit Tower Facility including the following seven services:
1. Sell and Collect Admission Fees
  2. Operate the Elevator
  3. Establish and Operate the Gift Shop
  4. Establish and Operate a Mobile Unit Food Stand (Outdoor only after June 30, 1993)
  5. Establish and Operate an outdoor Viewing Machine Concession on the Sidewalk of Coit Tower Parking Lot
  6. Rental of Space for Special Events
  7. Establish and Operate a Tour Guide Concession.

Under the proposed five-year lease agreement, effective when the Board of Supervisors approves the proposed ordinance, Frederick Lo would annually pay the City the greater of the following:

(a) Minimum Rent - sum of \$80,226 plus 90 percent of gross receipts from admission fees

(b) Percentage Rent - based on gross receipts from the following:

Admission Fees	90%
Gift Shop	20.26%
Food Stand	15.26%
Viewing Machine Concessions	50%
Special Event Rentals	40%
Tour Concession	10%

Thus, based on Coit Tower paid admissions in FY 1991-92 of \$561,438, under the proposed lease, Frederick Lo would pay the City a minimum of \$585,520 annually (90 percent of \$561,438 is \$505,294 plus the proposed minimum annual payment of \$80,226). In FY 1991-92, the Department collected a total of \$571,438 in revenues from Coit Tower operations including revenues received from the gift shop operated by the Friends of the Recreation and Park Department based on

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



a minimum of ten percent of gross receipts. Thus, the minimum payment of proposed lease would guarantee the Recreation and Park Department approximately \$14,082 more than the Department is currently receiving. In addition, the Department would reduce its costs by approximately \$80,000 to \$90,000 annually (See Comment 1 below).

Under the proposed lease, the City would be responsible for paying gas, electricity and water as well as to repair and maintain the facility. The lessee would be responsible for cleaning and upkeep of the facility. Currently, the City is responsible for the cleaning and upkeep at an approximate cost of \$7,800 annually excluding supplies.

Since December of 1992, Frederick Lo has been running the Coit Tower Facility under a permit on a month-to-month lease pending approval of the proposed ordinance by the Board of Supervisors. Prior to December, 1992, the Recreation and Park Department operated Coit Tower except for the Gift Shop which was operated by the Friends of the Recreation and Park Department. According to Mr. Dennis Chan of the Recreation and Park Department, in FY 1991-92 when the City and the Friends of the Recreation and Park Department operated the Coit Tower facilities, the Department collected approximately \$571,438 in revenues. In FY 1991-92, operation of the Coit Tower facilities cost the Department approximately \$135,581 in salaries and fringe benefits.

**Comments:**

1. According to Mr. Phil Arnold of the Recreation and Park Department, the Department is proposing to contract out the operation of Coit Tower to reduce the Department's Temporary Salaries. In FY 1992-93, the Department's budget for Temporary Salaries was reduced by approximately \$2 million. The Recreation and Park Department employs three permanent 3302 Vendors and one 4321 Cashier II to work at Coit Tower. These four employees would be transferred into other positions that are being funded through the Department's Temporary Salaries. The Temporary Employees who currently fill these other positions would essentially be "bumped" by the Coit Tower permanent employees. Mr. Arnold reports that by contracting out Coit Tower operations, the Department would save an estimated \$80,000 to \$90,000 annually in Temporary Salaries. This \$80,000 to \$90,000 in Temporary Salary savings would be part of the \$2 million reduction in the Department's FY 1992-93 budget. Ms. Robin Bergstaller of the Recreation and Park Department reports that the Department does not expect to lay-off Temporary Employees. Rather, the Department would

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



not hire part-time employees on an as needed basis as has been the Department practice historically.

In addition, the Department provides approximately one hour each day of custodial services to the Coit Tower facilities. The custodian who provided the custodial services to Coit Tower would not be laid off because Coit Tower was only one of many locations the custodian cleaned. According to Mr. Mike Morlin of the Recreation and Park Department, the Department would save approximately \$50.00 a week from reduced overtime expenses associated with cleaning Coit Tower on the week-ends.

2. Mr. Chan reports the proposed lease for the Coit Tower facilities was competitively bid and advertised in the Chronicle, Examiner, Independent, Sun Reporter and other minority newspapers. In addition, Mr. Chan reports that the Department sent notices to vendors on the Human Rights Commission list and the lists at the Purchaser's Office. According to Mr. Chan, eight vendors picked up bid packages for the proposed lease and two submitted bids. The other bid received was submitted by Deborah Heller-Israel, and had an estimated minimum annual guarantee of \$36,000 plus 91 percent of annual admission fees or approximately \$546,909 annually (based on 1991-92 paid admissions) which is approximately \$38,611 annually lower than Frederick Lo's estimated minimum annual guarantee of \$585,520.

3. Frederick Lo is a City certified MBE.

4. According to Mr. Arnold, the Department anticipates that revenues generated from the Coit Tower Gift Shop would increase under the proposed lease by having an experienced, professional vendor operate the shop rather than the Friends of the Recreation and Park Department, a non-profit organization.

5. Mr. Arnold reports that he will be unable to attend the December 30, 1992 Finance Committee meeting. As a result, Mr. Arnold requests that the proposed ordinance be continued for one week.

**Recommendation:** Continue the proposed ordinance for one week as requested by the Department.



Item 12 - File 62-92-4

**Department:** Airports Commission

**Item:** Ordinance approving a Boarding Area 'E' Principal Concession Retail Lease between the Delstar Group and the City and County of San Francisco, acting by and through the Airports Commission.

**Location:** San Francisco International Airport, Boarding Area "E"

**Purpose of Lease:** The proposed lease pertains to five locations at the Airport for the sale of retail merchandise.

**Lessee:** The Delstar Group

**No. of Sq. Ft. and Revenue/Month** 3,201 square feet with a minimum rental rate of approximately \$30.11/sq.ft./month.

**Annual Revenue:** 20 percent of gross revenues, with a minimum annual guarantee of \$1,156,482, whichever is higher.

**Utilities and Janitor Services:** To be paid by lessee.

**Term of Lease:** Five years from the effective date (see Comment 11).

**Escalation:** Annual increases in the amount of the minimum annual guarantee, based on the increases in the Consumer Price Index.

**Comments:**

1. Ms. Judy Watson of the Property Management Division at the Airport states that four of the five retail locations included in the proposed lease are currently operated by DFS West, whose lease with the Airport will expire on March 31, 1993. The fifth location is being operated on a month-to-month basis under a holdover provision of an expired lease with the firm of SFO News.
2. The Airport reports that the Delstar Group submitted the highest responsive competitive bid for a concession retail lease involving five retail locations in the North Terminal. According to Ms. Watson, the Airport advertised for bids in the San Francisco Examiner, Philippine News, Asian Week, and Small Business Exchange newspapers.
3. The six bidders, their bid amounts, and the MBE/WBE status of the firms (based on information provided by the Human Rights Commission), are as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<u>Firm</u>	<u>Minimum Annual Guarantee Bid Amount</u>	<u>MBE/WBE Status</u>
The Delstar Group	\$1,156,482	none
Kass Management Services	1,072,000	Registered MBE
Host International	1,040,250	none
MBE, Inc.	705,705	none
W.H. Smith Airport Services	700,000	LBE
DFS Group/DFS West	510,000	none

Mr. Richard Norton of the Human Rights Commission states that the Delstar Group, which is headquartered in Arizona, is not currently registered with the Human Rights Commission. However, the Delstar Group is a woman-owned business and has taken action to become a registered WBE based on its proposed operations at the Airport, according to Mr. Norton.

4. Ms. Sandra Crumpler of the Airport states that Airport concessions are not subject to the requirements of the City's MBE/WBE ordinance, but are required to comply with requirements which the Airport establishes to meet the Airport's MBE/WBE participation goals. The Airport requires that, under the proposed lease, 20 percent of the retail concession (based on square feet of retail space), must be operated by a MBE firm, and 10 percent must be operated by a WBE firm.

5. Ms. Crumpler reports that, since the Delstar Group is a woman-owned business, it complies with the Airport's participation goal for WBE's under the proposed lease. In addition, the Delstar Group will be required to sub-contract with a MBE firm to comply with the 10 percent participation goal for MBE's under the proposed lease, according to Ms. Crumpler.

6. Under the proposed lease, the Delstar Group would pay annual rent equal to 20 percent of gross receipts, with a minimum annual guarantee of \$1,156,482, whichever is greater. Ms. Watson states that for the existing retail outlets which occupy the 5 locations, DFS West and SFO News paid the Airport a combined rent in 1991-92 of \$1,554,439. These revenues were based on the minimum annual guarantee included in the existing leases with DFS West and SFO News.

7. On an annual basis, the Airport would receive at least the minimum annual guarantee from the Delstar Group of

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

\$1,156,482. The Budget Analyst notes that the \$1,156,482 minimum annual guarantee of the proposed lease with the Delstar Group is \$397,957, or 25.6 percent less than the \$1,554,439 minimum annual guarantee under the existing leases with DFS West and SFO News for the 5 retail locations. Mr. Robert Rhoades, Director of Property Management for the Airport, attributes this decrease in the minimum annual guarantee under the proposed lease to the fact that bids for the proposed lease were solicited during a recession, and the bidders have exercised caution in estimating their profitability. Mr. Rhoades states that the Delstar Group has performed well at airport locations in other cities, and he indicates that, over the 5 year term of the proposed lease, the performance of the Delstar Group is expected to exceed the performance of the existing concessionaires.

8. The commodities offered under the proposed lease would differ from the commodities now offered at two of the five locations, according to Ms. Watson. The Airport would require that the Delstar Group offer fashion accessories, music boxes and collectible items at two locations, in lieu of personalized clothing and children's items which are currently offered for sale at these two locations by DFS West, since the existing concessions have not performed to the Airport's satisfaction. The remaining three locations currently offer newspapers, gifts, and sundries, and would continue to do so under the proposed lease.

9. Ms. Watson states that the proposed lease provides for annual rental increases proportional to the annual increase in the Consumer Price Index.

10. According to Ms. Watson, construction to refurbish the premises would begin April 1, 1993. Ms. Watson states that the estimated cost of the construction will not be known until approximately February 1993 when the Delstar Group submits construction plans for approval by the Airports Commission. However, under the proposed lease, the Delstar Group would be responsible for 100 percent of the costs of construction, according to Ms. Watson.

11. The effective date of the proposed lease would be the date that construction is completed and the concession is fully operational, or 120 days following approval of the proposed lease by the Board of Supervisors, whichever occurs first. Beginning on the effective date, the Delstar Group would be required to pay 20 percent of gross receipts or the minimum annual guarantee of \$1,156,482, whichever is greater.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The retail outlets would continue to operate in a limited capacity during the construction work, according to Ms. Watson. For as long as construction is in progress during the first 120 days following approval of the proposed ordinance by the Board of Supervisors, the Delstar Group would be required to pay 20 percent of total gross receipts, based on any retail operations during the construction period. However, the minimum annual guarantee of \$1,156,482 under the proposed lease would not apply during the construction period.

**Recommendation:** Approve the proposed ordinance.



Item 13 - File 65-92-20

**Department:** Port of San Francisco

**Item:** The proposed ordinance would approve termination of the lease agreement between Continental Grain Company and the City and County of San Francisco

**Location:** Pier 90

**Purpose of Lease:** The space leased at Pier 90 is used as a grain loading and unloading facility.

**Lessee:** Continental Grain Corporation

**No. of Sq. Ft. and Cost per Month:** \$24,071 per month for approximately 148,000 square feet (approximately \$0.163 per square foot per month).

**Annual Cost:** \$288,852 payable by Continental Grain Corporation to the Port.

**Term of Lease:** Sixty year lease commencing November 22, 1967 and ending November 22, 2027.

**Date of Lease Termination:** The first day after all of the following have occurred:

- a) Passage of a resolution by the San Francisco Port Commission terminating the lease. Such a resolution was approved by the Port Commission on October 14, 1992.
- b) Passage of this proposed ordinance by the Board of Supervisors.
- c) The determination of the effective date of the lease termination by the Federal Maritime Commission or a ruling by the Commission that such a determination is not necessary.
- d) Continental Grain Company has removed certain equipment from the Pier 90 facility and made certain electrical repairs.

**Description:** The Port of San Francisco and Continental Grain Company propose to terminate the 60 year lease agreement that commenced November 21, 1967 and was scheduled to terminate November 22, 2027. The proposed termination date would be one day after the conditions listed above are met. As a condition of termination, Continental Grain Company

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

would have to remove various equipment from Pier 90, including all buckets and barrels, all 55-gallon drums, all automobiles and batteries, and all refuse and garbage. Additionally, Continental Grain Company agrees to make approximately \$9,000 worth of repairs to Pier 90 electrical systems.

**Comments:**

1. Ms. Veronica Sanchez of the Port reports that the decision to terminate the lease with Continental Grain Company has been made for a number of reasons.

a) The current lease requires the City to dredge the canal used by Continental Grain Company at Pier 90. However, since Continental Grain Company has not used the facility for over four years, no dredging has been performed recently. Since the Port is limited in the number of cubic yards it can dredge in San Francisco Bay, the Port believes that there are higher priority areas for dredging. The estimated cost of the dredging is \$100,000 annually.

b) The Port is required to maintain certain standards for the facilities at Pier 90 but, again, because Continental Grain Company has not used the facility, this maintenance has not been performed recently. Due to damage to the grain elevator from the Loma Prieta Earthquake, the estimate for repairing the grain elevator and making other maintenance repairs would be \$1.6 million.

c) Since the lease became effective with Continental Grain Company in 1967 there have been changes in Federal air quality regulations. If Continental Grain Company were to actively use the facility at Pier 90, the Port would be required to make significant changes in the facility to significantly reduce the dust that is generated by the storage and transfer of grain. The Port has estimated that the cost of this project would be \$15 million.

2. The total cost of the maintenance repairs and annual dredging would be \$20 million (\$15 million for the air quality changes, \$1.6 million for maintenance and structural repairs and \$3.4 million for dredging for the remaining 34 years of the lease). The total rental payments which the Port would receive over the remaining 34 years of the lease, with a 2.5 percent increase annually, would be approximately \$16.5 million. Therefore, the Port has decided it would be more cost-effective to terminate the lease at this point.

3. Ms. Sanchez reports that the Port currently has no specific planned use for the space being vacated at Pier 90 but is currently considering a number of possibilities for short-term maritime use of the facility.

**Recommendation:** Approve the proposed ordinance.



Item 14 - File 97-92-70

- Department:** Department of Public Health (DPH)
- Item:** Ordinance amending the City and County of San Francisco's Administrative Code by adding Section 19A.32 to permit the Department of Public Health (DPH) to enter into indemnification agreements with the Metropolitan Transportation Commission enabling the DPH to participate in the Homeless Outreach study at Transbay Transit Terminal.
- Description:** The proposed ordinance would permit the DPH to enter into indemnification agreements with the Metropolitan Transportation Commission in order to enable the DPH to participate in the Outreach to Homeless Persons in Transit Facilities program. In November of 1991, the Board of Supervisors authorized DPH to accept and expend a three year grant in the amount of \$550,000 from the U.S. Department of Transportation through the Metropolitan Transportation Commission (File 146-91-57.1). This grant has provided funding for DPH's Outreach to Homeless Persons in Transit Facilities program. This program provides case management, outreach and linkages with health, mental health, substance abuse treatment, employment/training, housing, education, transportation, nutrition services and other necessary community support services to homeless persons who take shelter in transit facilities such as the Transbay Terminal. DPH contracts with Travelers Aid of San Francisco, a non-profit agency, to provide these direct outreach services.
- The proposed ordinance would allow the DPH to enter into an agreement with MTC to indemnify and hold MTC harmless from and against all claims, injury, suits, demands, etc. incurred as a result of the City's or the City's contractor's actions. As previously noted, the City receives the grant funding from the U.S. Department of Transportation through the MTC.
- Comments:** 1. Mr. Fred Milligan of the DPH advises that the DPH enters into similar indemnification agreements with its contractors, such as Travelers Aid of San Francisco to protect the City from being held liable for the actions of another organization. The MTC is requesting such protection for itself from the Outreach to Homeless Persons in Transit Facilities program.

BOARD OF SUPERVISORS  
BUDGET ANALYST

2. The City has a similar indemnification agreement with Travelers Aid of San Francisco where the City is held harmless from the actions of Travelers Aid of San Francisco. As previously noted, Travelers Aid of San Francisco is providing the majority of the services under the Outreach to Homeless Persons in Transit Facilities program. Thus, the proposed ordinance would not have a fiscal impact on the City.

**Recommendation:** The proposed ordinance is a policy matter for the Board of Supervisors.



Item 15 - File 101-92-21

**Department:** Department of Social Services (DSS)

**Item:** Supplemental appropriation ordinance appropriating \$524,636 for permanent salaries and related mandatory fringe benefits and day care assistance.

**Amount:** \$524,636

**Source of Funds:** Miscellaneous Federal and State Subventions

**Description:** The State Department of Social Services has allocated State and Federal revenues to the City to implement court-ordered childcare payments for the Non-GAIN Employment and Training Program (NET). The proposed ordinance would appropriate the funds for the mandated childcare payments and fund a Social Worker position to administer the program.

Under the terms of the court case, Miller vs. McMahon, counties are required to provide for NET childcare payments while AFDC parents attend NET programs. DSS began receiving State and Federal revenues and began making these childcare payments in September, 1992. DSS has assigned an existing GAIN Social Worker to administer the program which has been funded with the proposed Federal and State funds since September, 1992. The proposed supplemental appropriation would provide NET childcare payments through the end of the fiscal year and provide funding for an additional Social Worker to administer the program.

The Department has TXed (temporary exchange) an existing vacant Hearing Officer position to create the requested Social Worker position.

Under the NET childcare program, the NET recipient must enroll in a job training program and the NET recipient would find their own childcare provider. The childcare provider invoices the City for services provided to the NET recipient. DSS has established a childcare rate structure which DSS will reimburse the childcare provider. Currently, DSS will reimburse a childcare provider from \$1.71 per hour to \$6.48 per hour depending on the age of the children and the type of childcare provided such as in-home child care or child care centers. The childcare provider is only paid for those hours spent with the NET recipient's child while the NET recipient is attending job training courses.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<b>Budget:</b>	Permanent Salaries	
	2912 Sr. Social Worker (10 months funding)	\$30,551
	Fringe Benefits	7,708
	DSS Administration	15,783
	Childcare Services	<u>486,377</u>
	<b>Total</b>	<b>\$540,419</b>

- Comments:**
1. As reflected in the proposed budget above and as certified by the Controller, DSS would receive \$540,419 instead of \$524,636 as the proposed ordinance currently reads. Thus, the proposed ordinance should be amended to appropriate \$540,419 instead of \$524,636.
  2. As previously noted, the Department of Social Services began receiving State and Federal monies and began childcare payments and paying the salary of the Sr. Social Worker in September, 1992. Therefore, the proposed ordinance should be amended to appropriate the \$540,419 retroactively.
  3. The \$15,783 budgeted for DSS administrative expenses would reduce the City's General Fund contribution to DSS's administrative costs.
  4. Ms. Sally Kipper of DSS reports that this is the first time DSS has provided NET childcare payments. As such, Ms. Kipper advises that DSS is unsure how much DSS will actually require in FY 1992-93 for NET childcare payments. DSS currently has 150 people in the NET program. However, Ms. Kipper believes this number will increase through the fiscal year. The proposed \$540,419 is the amount the State is subvening to the City for these services. However, Ms. Kipper advises that the State will only pay the City for expenses incurred. Therefore, if the City spends less than \$540,419 for the NET childcare program, the City will receive less than \$540,419 from the State. As previously noted, the amount of childcare required by the NET recipients depends on the number of hours the recipient is enrolled in job training courses.
  5. The proposed TX of an existing Hearing Officer position to create a Social Worker position is only for FY 1992-93. The Department will substitute the Hearing Officer position for the proposed Social Worker position in the Department's FY 1993-94 budget.
  6. Ms. Kipper also advises that the source of State and Federal funding for the NET childcare program in FY 1993-94 has not been established.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Recommendation:** Amend the proposed ordinance to:

1. Appropriate \$540,419 instead of \$524,636 as the proposed ordinance currently reads.

2. Appropriate the \$540,419 retroactively.

Approve the proposed ordinance as amended.



Items 16 and 17 - Files 101-92-22 and 102-92-4

**Departments:** Chief Administrative Officer (CAO)  
Public Administrator/Guardian

**Items:** Supplemental appropriation ordinance (File 101-92-22) appropriating \$206,729, for various purposes and for the creation of four positions.

Ordinance amending the Annual Salary Ordinance for 1992-93 (File 102-92-4) to reflect the addition of four positions in the Office of the Public Administrator/Guardian.

**Amount:** \$206,729

**Source of Funds:** General Fund

**Description:** The Chief Administrative Officer (CAO) proposes establishing a County Veterans Service Office as a function of the Public Administrator/Guardian, which currently provides some services to veterans through its Conservatorship, Rep-Payee and Administrative units. The proposed County Veterans Service Office would serve an estimated 76,490 veterans residing in San Francisco. This estimate was provided by the California Department of Veterans Affairs Services. Services would include obtaining veterans benefits for veterans and advocating for increased benefits for veterans already receiving benefits. Although 55 of California's 58 counties have such an office, San Francisco does not. The effort to establish such an office has resulted from the planned relocation of State and Federal Veterans Affairs offices from San Francisco to Oakland in March of 1993, which will diminish veterans' access to veterans service organizations.

The City Services Committee previously recommended approval of an ordinance (File 97-92-40), Item 3 of this report, which would amend the City's Administrative Code to establish a County Veterans Service Officer (CVSO) within the Office of the Chief Administrative Officer. However, the City Services Committee recommended that the Finance Committee consider the impact of the possible increased cost to the City of establishing a CVSO on the General Fund expenditures for social services, as well as to consider potential sources of funding, other than General Fund monies for the proposed CVSO.

The proposed ordinance to amend the 1992-93 Annual Salary Ordinance (File 102-92-4) would create four new positions in the Office of the Public Administrator/Guardian as follows:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

<u>Classification/Title</u>	<u>No. of Positions</u>	<u>Bi-weekly Salary</u>	<u>Maximum Salaries At Top Step</u>
4231 Senior Estate Investigator	1	\$1,443/ 1,748	\$45,623
4230 Estate Investigator	2	1,310/ 1,588	82,894
1446 Secretary II	<u>1</u>	1,158/ 1,401	<u>36,566</u>
Total	4		\$165,083

The proposed supplemental appropriation (File 101-92-22) would provide funding for the proposed four new positions and other operating costs for the nine-month period, beginning October 1, 1992 and ending June 30, 1993, as follows:

Personnel

4231 Senior Estate Investigator	\$33,212
4230 Estate Investigator (2)	60,344
1446 Secretary II	26,619
Fringe Benefits	<u>31,697</u>

Subtotal \$151,872

Operating Expenses

EDP Services	\$12,600
Travel	1,000
Postage	5,157
Telephone	4,760
Materials and Supplies	1,990
Office Rental (2,000 Sq. Ft.)	18,000
Real Estate Department	1,000
Reproduction	<u>350</u>

Subtotal 54,857

Start-up Costs

Electronic Data Processing (EDP) Services	\$4,000
Equipment (20 file cabinets)	<u>6,000</u>

Subtotal 10,000

Total \$206,729

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Comments:**

1. The earliest the proposed ordinances could be effected is January 11, 1993. Therefore, the proposed supplemental appropriation ordinance should be reduced to reflect the actual effective date from nine months for the proposed four new positions and operating costs to 12.3 biweekly pay periods (January 11, 1993 to June 30, 1993), as follows:

<u>Personnel</u>	<u>Funding Requested</u>	<u>Funding Required</u>	<u>Recommended Reductions</u>
Senior Estate			
Investigator	\$33,212	\$20,986	\$12,226
Estate Investigator	60,344	38,130	22,214
Secretary II	26,619	16,810	9,809
Fringe Benefits	<u>31,697</u>	<u>18,982</u>	<u>12,715</u>
Subtotal	\$151,872	\$94,908	\$56,964
<u>Operating Expenses</u>			
EDP Services	\$12,600	\$7,700	\$4,900
Travel	1,000	1,000	0
Postage	5,157	2,365	2,792
Telephone	4,760	2,184	2,576
Materials & Supplies	1,990	908	1,082
Office Rental	18,000	11,000	7,000
Real Estate Dept.	1,000	1,000	0
Reproduction	<u>350</u>	<u>175</u>	<u>175</u>
Subtotal	\$44,857	\$26,332	\$18,525
<u>Start-up Costs</u>			
EDP Services	\$4,000	\$4,000	0
Equipment	<u>6,000</u>	<u>6,000</u>	0
Subtotal	\$10,000	\$10,000	0
Total	\$206,729	\$131,240	\$75,489

2. Mr. Gerald Rucker of the California Department of Veterans Affairs reports that his Office has estimated that approximately \$21,500 in State subvention funds would be allocated to San Francisco in 1992-93, based on the City's establishment of a County Veterans Service Office by mid-January, 1993. These funds would be used to offset the cost of the City's services which would be provided to veterans. If such State funds are allocated to the City, then based on the Budget Analyst's estimate of expenditures for approximately five and one-half months for the period from mid-January through June, 1993, the net cost to the General Fund budget for 1992-93 for these services would be \$109,740 (\$131,240 minus \$21,500). Mr. Rucker stated that the State subvention funds have been identified and are available in the State budget, and that the State's current fiscal problems would not

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

affect the estimated allocation of \$21,500 in State subvention funds to the City.

3. Mr. Rucker further advised that the State Legislature recently passed legislation which will authorize additional State funds to support County Veteran Service Offices through the sale of customized vehicle license plates for veterans. However, such funds would not be available until 1995. According to Mr. Rucker, this legislation would reduce State and local funding requirements to fund County Veterans Services Offices by using revenues from sales of the customized vehicle license plates for veterans.

4. Under the CAO's original proposal, the estimated cost for the first year of the County Veterans Service Officer was \$409,200, of which \$115,238 represented salary and fringe benefits for existing Public Administrator/Guardian staff and \$293,962 represented new costs to the City. According to Mr. Ricardo Hernandez, the Public Administrator/Guardian, certain PA/PG positions, equivalent to 2.0 FTE, would be transferred to the CVSO budget because these employees currently perform services on behalf of veterans, including estate management and conservatorships. These activities would be incorporated into the functions of the CVSO. The classifications to be transferred would be the Public Administrator/Guardian (.25 FTE), Senior Eligibility Workers (1.5 FTE), and an Accountant (.25 FTE). Based on a full year, the estimated amount of State subvention funds to be received by the City for these services was \$70,000.

5. The California Department of Veterans Affairs (CDVA) estimates that 76,490 veterans were residents of San Francisco in March, 1991 and that 8,498, or approximately 11 percent of these veterans were receiving veterans benefits. According to CDVA, the average monthly benefit payments to veterans in Northern California in 1990 was \$449, compared to an average monthly payment of \$339 to veterans residing in San Francisco. CDVA estimates that if average monthly benefit levels for San Francisco's veterans were to increase by \$110 from \$339 to \$449, equal to the Northern California average monthly payments, through the efforts of a County Veterans Service Office, then San Francisco veterans would realize additional annual income of an estimated \$11.2 million (8,498 veterans each receiving an additional \$110 per month for 12 months). However, there is no firm documentation that such increased benefits would be realized by veterans. The Budget Analyst notes that if this estimate proves to be accurate, the City could realize higher tax revenues if veterans expend higher levels of income within the City.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

6. The CDVA also reports that establishing a San Francisco-based County Veterans Service Officer could result in reductions in General Assistance payments to veterans who qualify for veterans benefits. The Mayor's Office notes that reductions in these costs, as well as County-funded health services costs might particularly be evident with regard to services provided to homeless veterans, which make up approximately 40 percent of the City's homeless population. However, there is no firm documentation that such expenditure reductions would be achieved.

7. Item 3 of this report is an ordinance to amend the City's Administrative Code to establish the proposed new program. These proposed ordinances that would create the staffing for the new program and fund the new program and Item 3 should be considered together.

8. The Budget Analyst considers this project to be a worthy program, but cautions against all new expenditures, given the City's current fiscal constraints and given Mr. Rucker's statement that the State would only fund an estimated \$21,500 of this program for Fiscal Year 1992-93.

9. According to Item 3 of this report, the net additional cost for this new program on an annual basis and after deducting the costs of existing employees is estimated at \$293,962 annually. This \$293,962 annual cost would be reduced by the State's subvention to the City for operating the program. On an annual basis for 1992-93, Mr. Rucker estimates that the State subsidy would be approximately \$70,000. However, the amount of the State's subventions for future years cannot be estimated at this time. Based on a State subsidy of \$70,000, the proposed new program would require additional General Fund funding of \$223,962 (\$293,962 less \$70,000) annually in the future. Therefore, approval of the proposed ordinance to establish a new City program is a policy matter for the Board of Supervisors.

**Recommendations:** 1. Amend the supplemental appropriation (File 101-92-22) by reducing the request by \$75,489 from \$206,729 to \$131,240 as detailed in Comment No. 1, above.

2. Approval of the proposed ordinances (as amended) to establish a new City program that would create four new positions and would require additional General Fund funding of \$223,962 (based on a \$70,000 annual State subsidy), is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Items 18 and 19 - Files 101-92-25 and 102-92-10

**Department:** Rent Arbitration Board

**Items:** Item 18 - Supplemental appropriation ordinance (File 101-92-25) appropriating \$60,265 for permanent salaries and rescinding \$60,265 in permanent salaries for the creation of one position and deletion of one position for the Rent Board.

Item 19 - Ordinance (File 102-92-10) amending the 1992-93 Annual Salary Ordinance to reflect the addition of one position and the deletion of one position in the Rent Arbitration Board.

**Amount:** \$60,265

**Source of Funds:** Rent Board Special Fund

**Description:** The Rent Board converted from contract hearing officers to six part-time Civil Service staff hearing officers two years ago. Mr. Joe Grubb, Executive Director of the Rent Board, reports that as a result of having these six part-time positions (4 FTE) being in-house, the Department has been able to assume direct responsibility for their training and supervision, which has resulted in (1) higher quality and more consistent decisions being made from hearing to hearing, and (2) fewer decisions that are heard by the Commission on appeal, or remanded back to the Department.

According to Mr. Grubb, the conversion to in-house hearing officers has resulted in the Department's Deputy Director having to absorb the responsibility for the supervision of the six part-time hearing officers, which has prevented the Deputy Director from having sufficient time to carry-out his normal administrative assignments. Additionally, Mr. Grubb advises that the Deputy Director position is a non-attorney position and that the Rent Board believes that the supervision of the hearing officers, all of whom are attorneys, should in fact be performed by an attorney given that case decisions can involve substantial sums of money and potential lawsuits for the City. In order to address these concerns, the Rent Board is proposing to reclassify one of their two existing Rent Board Supervisor positions to a Senior Hearing Officer position, which would be assigned responsibility for the supervision of the hearing officers. The Rent Board Supervisor position that would be eliminated is currently vacant, according to the Rent Board.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



The job specification for the Senior Hearing Officer would require that the position be filled by an attorney.

The proposed ordinances would enable the Rent Board to add one AA44 Senior Hearing Officer, at a biweekly rate of \$1,909 to \$2,319 (a maximum of \$60,526 annually at the top step) and delete one 2982 Rent Board Supervisor, at a biweekly rate of \$1,611 to \$1,955 (a maximum of \$51,026 annually at the top step). This substitution would result in an annual salary increase at the top step of \$9,500, plus fringe benefits.

**Comments:**

1. Mr. Grubb advises that if the proposed ordinances are approved, he anticipates being able to hire a candidate to fill the Senior Hearing Officer position by February 1, 1993. A total of \$23,460 (\$1,955 x 12 biweekly pay periods) would be required to pay for this position for the period February 1, 1993 to June 30, 1993. Therefore, the proposed supplemental appropriation ordinance should be reduced by \$36,805 from \$60,265 to \$23,460.

2. The Rent Board reports that in addition to being responsible for the day to day supervision of the hearing officers, including case review and review of decisions, the Senior Hearing Officer would also be responsible for writing decisions on any appeals that come before the Commission and for serving as liaison to the City Attorney's Office on legal matters.

3. As of December 21, 1992, the Rent Board Special Fund has a balance of approximately \$1.5 million. The revenues in this fund are provided by a \$8 amount charge on each residential unit of four or more units.

**Recommendations:**

1. Amend the supplemental appropriation (File 101-92-25) by reducing the request by \$36,805 from \$60,265 to \$23,460.
2. Approve the proposed ordinances as amended.



Item 20 - File 97-92-4

**Note:** This item was transferred to the Finance Committee from the City Services Committee at its meeting of December 15, 1992 for consideration of its fiscal impact.

1. The proposed ordinance would amend the San Francisco Administrative Code by adding Section 8.35 to authorize the Director of Public Health to sell health-related materials and establishing a fund for revenues derived from such sales.

2. Under the proposed ordinance, the Director of Public Health would establish the sales price for these materials which the Department of Public Health would offer for sale to the public. The proposed ordinance specifies that the Director may consider the ability of the recipient to pay and the goal of promoting public health.

3. The proposed ordinance would also establish a special fund, the Department of Public Health Publication Fund. All monies received from the sale of any and all materials would be deposited to this new special fund. Monies in this special fund would be used specifically for the Department of Public Health purposes. The balance remaining in the fund at the close of any fiscal year shall be carried forward and accumulated in the fund specifically for purposes of the Department of Public Health.

4. According to Ms. Valerie Kegebein of the Department of Public Health's AIDS Office, the intent of the proposed ordinance is to enable the DPH to sell health promotion-related products which have been developed with private contributions and through fund raising efforts on behalf of DPH employees, such as AIDS videos for teens, brochures, books and other publications. Ms. Kegebein indicates that there has been a demand by the public for DPH developed videos and publications, but the DPH does not currently have the authority to sell these items.

5. Ms. Kegebein reports that DPH estimates that revenues from the sale of health-related items would be between \$10,000 to \$50,000 annually. Ms. Kegebein indicates that this estimate is based upon previous AIDS video sales by non-profit firms, such as the San Francisco Study Center. Therefore, this item was determined to have a fiscal impact.

6. As previously noted, the Director of Public Health would determine the prices of the products sold. The prices and the specific products which are likely to be sold have not yet been determined. However, Ms. Kegebein indicates that preliminary prices for AIDS videos sold would range between \$25 to \$125 each. In addition, Mr. Paul Gibson of the DPH indicates that the cost of the producing a "Teens and AIDS" pamphlet, which would likely reflect the prices charged for these pamphlets, are as follows:

BOARD OF SUPERVISORS  
BUDGET ANALYST

<u>No. of Items</u>	<u>Cost</u>
1,000-4,999	\$0.40 each (\$400 to \$2,000 total)
5,000-9,999	\$0.35 each (\$1,750 to \$3,500 total)
10,000 and Above	\$0.25 each (\$2,500 and above total)

Shipping/handling would be approximately \$20 per 1,000 items

7. Ms. Kegebein also indicates that the primary goal for the use of proceeds deposited into the special fund, is to enable the DPH to develop and create additional health-related items that the DPH is currently unable to develop with grant or General Fund monies. Ms. Kegebein indicates that the DPH has not yet determined which specific items would be purchased and developed with the proceeds deposited into the new special fund.

8. Ms. Kegebein reports that the DPH may have several small expenditures for pamphlets which only may cost \$1,000 throughout the year. Therefore, the DPH recommends to amend the proposed ordinance to include a dollar amount, such as \$10,000, under which appropriation authority from the Board of Supervisors would not be necessary. The Budget Analyst notes that it is possible for the DPH to request appropriation authority to the Board of Supervisors for several small expenditures at one time.

### Comment

The proposed ordinance states that the Director of the Department of Public Health would annually submit in writing to the Mayor, the Controller, and the Board of Supervisors a report showing the total receipts and disbursements of the fund for the preceding year. However, the proposed ordinance does not specify that the Board of Supervisors would have appropriation authority over the funds spent from the new proposed special fund. Therefore, the proposed ordinance should be amended to provide the Board of Supervisors with appropriation authority over the expenditure of funds from the proposed new special fund.

### Recommendations

1. Amend the proposed ordinance to provide the Board of Supervisors with appropriation authority over the expenditure of funds from the Department of Public Health Publication Fund.

2. Approval of the proposed ordinance, which would amend the San Francisco Administrative Code by adding Section 8.35 to authorize the Director of Public Health to sell health-related materials and establishing a special fund for revenues derived from such sales, is a policy matter for the Board of Supervisors.

Item 21 - File 172-92-20

**Item:** Resolution authorizing an indemnity provision in the agreement between the City and County of San Francisco and the County of San Mateo.

**Description:** The Public Utilities Commission (PUC) has authorized an agreement between the PUC and the San Mateo County Department of Public Works regarding the relocation of a water pipeline located in San Mateo County which is owned by the City. The pipeline is situated underneath a public right-of-way owned by San Mateo County, in an unincorporated area of San Mateo County.

According to the PUC, the San Mateo County Department of Public Works is initiating a grade separation project for the right-of-way which will require the relocation of San Francisco's pipeline. The agreement between the PUC and the County of San Mateo provides that the County of San Mateo will manage and oversee the relocation of the City's water supply pipeline as part of San Mateo's grade separation project.

Under the agreement between the PUC and the County of San Mateo, San Francisco would indemnify and hold harmless the County of San Mateo "from all claims, suits or action of every name, kind and description, arising out of or relating to the matters covered by this agreement, to the extent such claims, suits or actions are due to the negligence or willful misconduct of the City or the City's failure to perform obligations under this agreement."

The agreement with San Mateo County also provides that San Mateo County will indemnify and hold harmless the City of San Francisco for any claims or damages resulting from the acts or omissions of San Mateo under the agreement.

**Comments:** 1. Under the agreement with San Mateo County authorized by the PUC, the City would have the responsibility to consult and advise the San Mateo County Project Engineer regarding the relocation of the City's pipelines, including design and construction activities; collaborate with representatives of San Mateo County to review requirements and evaluate options for the relocation project; review and approve all plans, specifications, and other documents which pertain to the City's facilities; and maintain on-site construction inspectors during the relocation project.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

In addition, San Francisco would be required to perform its responsibilities during the grade separation and pipeline relocation project in a timely manner, in order not to jeopardize State funds which will be used for San Mateo County's grade separation project. Specifically, San Francisco officials would be required to respond in writing within four weeks to any request by San Mateo County for San Francisco's review, decision, direction, or response in any particular matter. If San Francisco fails to respond in a timely manner, San Mateo County would be authorized to take necessary action to complete the tasks required to relocate San Francisco's pipeline, with any costs incurred by San Mateo County for these services to be reimbursed by San Francisco.

2. Under the agreement with San Mateo County authorized by the PUC, San Mateo County would agree to include the relocation of San Francisco's pipeline in its grade separation project and to act as Project Administrator and Manager for the relocation of the pipeline.

In consideration for these services, San Francisco would reimburse San Mateo County for the actual cost of design and construction services related to the relocation of the pipeline, initially estimated at \$218,000, and would also reimburse San Mateo for administrative costs, calculated as 10 percent of the final design and construction costs of the pipeline relocation project. However, under the agreement, San Francisco's reimbursement to San Mateo County could not exceed \$300,000, "unless otherwise agreed" by the parties.

Ms. Chris Morioka of the Water Department states that a final determination has not been made concerning the source of funds for the pipeline relocation project. However, she states that the estimated cost of \$18,000 for design services could be paid from existing funds allocated for services of other governments, and the estimated \$200,000 construction cost would be paid from the Water Department's capital budget. If construction costs are incurred prior to July 1, 1993, the Water Department would re-allocate funds from its capital budget for the pipeline relocation project, resulting in a deferral of budgeted capital projects. If construction costs for the pipeline relocation project are not incurred before July 1, 1993, the construction costs of the project will be included in the Water Department's 1993-94 capital budget, according to Ms. Morioka.

3. The proposed agreement between the PUC and San Mateo County states that San Francisco will audit all expenses

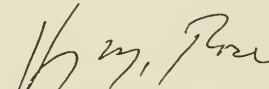
**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



incurred for design and construction activities related to the City's pipeline, and that San Mateo County will maintain separate records of all costs of the pipeline relocation project to facilitate San Francisco's audits.

4. The indemnification clause states that the City would be responsible for any claims or damages "only to the extent" that the claims or damages result from the City's negligence, willful misconduct, or failure to perform its responsibilities under the agreement.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Gonzalez  
Supervisor Migden  
Supervisor Hallinan  
President Shelley  
Supervisor Achtenberg  
Supervisor Alioto  
Supervisor Britt  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Maher  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Jean Mariani  
Barbara Kolesar  
Ted Lakey











